GOVERNANCE, POVERTY ERADICATION AND DECENTRALISATION

THE VIEW FROM ORANGI, KARACHI

1. PREAMBLE

Orangi is a subdivision of the District West of Karachi. It is a working class township, the major part of which began as squatter settlements. Its poverty related issues have not been addressed by provincial or local government for a variety of institutional and structural issues. Models for addressing Orangi Township's poverty related issues have been developed by the three Orangi Pilot Project (OPP) institutions, all of which are NGOs. The OPP has been working in Orangi Township since 1980 and its models have been replicated all over the Township, in other parts of Karachi and in seven cities of Pakistan.

The OPP models consist of understanding what people and the informal sector are doing themselves for improving their conditions and then supporting them with technical and managerial advice and credit in improving what they are already doing. Through the OPP programmes a number of activists have emerged in the Township and new local level CBOs have been created. These now negotiate with government agencies from a relative position of strength and offer an alternative leadership to the middlemen (who created Orangi Township through illegal subdivisions of state land), contractors, touts of political parties, and informers of a corrupt and repressive police system. Meanwhile, the government of Pakistan has evolved a "devolution plan" which seeks to strengthen local government institutions, make the bureaucracy and police subservient to them and transfer considerable political and fiscal powers to the grass root level. The Plan has been debated in the media, in public forums and within the Pakistan bureaucracy, over the last six months. On October 04, 2000 it is to be enacted.

This study tries to understand how the OPP models can be made relevant to the government's devolution plan and the role that the OPP institutions can play in making the devolution plan effective and in the process help in poverty alleviation and in further empowering the Orangi CBOs. However, before one can do this, it is necessary to understand the context within which urban poverty exists in Pakistan; the nature of the existing local government institutions and the problems they have faced in the past; the manner in which Orangi Township is governed both formally and informally; and the work and relevance of the OPP institutions.

2. THE CONTEXT

2.1 Where Do the Poor Live?

Pakistan requires about 500,000 housing units per year for its urban population ¹. Not even one-third of this is provided through formal processes. The demand-supply gap is met through the creation of illegal subdivisions of state land (known as *katchi abadis*); through

¹. Gurel, Ahmad, Noor and Jamal: Housing Parameters: Dawood College-Aga Khan Programme, Karachi 1991.

the informal subdivision of agricultural land on the city fringes; or through densification of existing settlements. Most of these settlements are badly planned and acquire substandard infrastructure through political patronage or the bribe market over a period of 15 to 20 years. However, an adequate sewage system is almost never acquired. These informal settlements grow at a rate of about 8 per cent per year against an urban growth rate of less than three per cent². Results of the 1998 housing census are still awaited, but one can safely say that over 60 per cent of Pakistan's urban population lives in informal settlements.

The inner cities of Pakistan have also turned into high-density slums. The wholesale markets and related cargo terminals are located in these inner cities and were once surrounded by middle and high income residential areas. With an increase of over ten times in the urban population since 1941, these markets have expanded to engulf the whole inner cities, turning their narrow lanes into warehousing, cargo terminals and male only day-wage labour accommodation. The infrastructure in these inner cities has collapsed and families have moved out. The poor of urban Pakistan live in the *katchi abadis*, in the informal settlements created through the subdivision of agricultural land and in the inner city slums.

The city of Karachi, where Orangi Town is situated, also requires about 80,000 housing units per year. Building permits are issued for no more than 26,700 units per year ³. It is estimated that 28,000 new housing units per year are developed in *katchi abadis* ⁴. Additional units on existing lots have not been estimated. Meanwhile, most of Karachi's inner city has been taken over by the grain, chemical and metal markets, the solid waste recycling industry, services sector to transport, and related transport and cargo activities and housing for male only labour.

It is estimated that over 50 per cent of Karachi's population lives in about 700 *katchi abadis* of which Orangi Township is one. Of these, 539 *abadis* having 386,000 housing units have been identified as regularisable. An Asian Development Bank (ADB) and World Bank loan of Rs 427.137 million was provided in 1984 for the implementation of a Katchi Abadi Improvement and Regularisation Programme (KAIRP). This loan was meant for 101 *katchi abadis*. Work has been completed (residents say it has not) in 33 *abadis* and leases have been issued to 108,245 housing units ⁵. Meanwhile, new *katchi abadis* are being created every day.

2.2 The Government's Katchi Abadi Improvement and Regularisation Programme (KAIRP)

The government has a KAIRP. However, this is only for *katchi abadis* and not for informal settlements on agricultural land or for inner city rehabilitation. This programme consists of providing infrastructure and a 99-year lease to *katchi abadi* residents. Only one per cent of *katchi abadis* per year are regularised and improved through this programme ⁶. Thus, it will take 100 years to regularise all of them and meanwhile new abadis are being created. The major reasons for the slow progress of this programme is the absence of correct plans with the communities (which prevents their equitable participation in the Programme); complex procedures which promote corruption; failure of government agencies to identify and accept existing infrastructure; lack of recovery of development and lease charges; non-involvement of communities in the leasing and development process; absence of transparency and

². Worked out by the author from Government of Pakistan Demographic data and census reports.

³. KDA: Karachi Development Plan 2000.

⁴. Estimates of the author/URC, Karachi, quoted in Arif Hasan's Understanding Karachi, City Press, Karachi 2000.

⁵. SKAA: Quarterly Progress report, June 2000.

⁶. ADB: Pakistan Low Cost Housing Project: Report 1989

accountability in the operation of the programme which makes it possible for elected representatives and provincial government development agencies to indulge in corruption; and an absence of effective grass root institutions. However, where government agencies, such as the Sindh Katchi Abadi Authority (SKAA) in Karachi, have overcome the above constraints, the Programme has been successful.

2.3 Major Poverty Related Problems in *Katchi Abadis* and in Informal Settlements

The major poverty related problems in poor settlements are the absence of proper physical and social infrastructure. This includes, housing and sanitation; employment generation; health; and education. People try to solve these problems on their own but in the absence of technical, managerial and credit support, their solutions are substandard and sometimes create a whole new host of problems. This is especially true of work related to physical infrastructure and housing. Local government does not relate its work to any of these problems in a planned manner. Health and housing are the domain of provincial government line departments; physical infrastructure is planned by a number of agencies (federal, provincial, local and international) and government departments between whom there is no coordination; support to the housing process and employment generation are non-existent.

2.4 Macro Level Issues

The problems of the low income settlements are closely related to macro level city planning issues. Almost all the infrastructure developed for *katchi abadis* and other informal settlements does not link up with city level infrastructure. Sewage systems within these settlements have no disposal points; water systems do not have an adequate source of water; roads do not link up with major city arteries; schools in the private sector have difficulty in improving their conditions and being recognised by the government's education department; and health clinics in low income settlements have no links with hospitals and laboratories in the formal sector. This is because these low income settlements are not integrated into a larger city plan but are treated as separate entities. The physical work carried out in them consists of "projects" which are not a part of a programme or a structure plan.

In addition to the above, the residents of these low income settlements have other problems. Their homes are mostly in peri-urban areas far away from their places of work. Transport facilities are expensive and of poor quality. It takes a long time to commute between home and work and the journey is exhausting and along heavily polluted corridors of movement. Women, old people and small children find it difficult to use this transport. The result of these conditions is fatigue, low productivity, expense and severe physical and mental stress.

Government plans for transport, traffic engineering, sewage disposal and housing and urban structural plans are grandiose in nature relying heavily on foreign loans. CBOs, NGOs working in low income areas and concerned and or relevant professionals and academic institutions make no input into them since a process of consulting them for making them a part of the planning and implementation process does not exist. Therefore, apart from being grandiose, these plans do not serve the needs of the residents of low income settlements.

2.5 Evictions

Another major problem facing a large number of urban settlements all over Pakistan is their eviction from the land on which they are located. This eviction is usually illegal and increases the incidents of poverty and destruction of assets of poor communities. Many of these

settlements have schools, health, water and electricity, and other community facilities that people have developed themselves or acquired through lobbying and bribes. The most serious damage done by evictions is to children's education. The Urban Resource Centre (URC) in Karachi has monitored evictions in the city. The reasons for them and their scale is given in Box - 1: Evictions and Burning of Settlements.

Box – 1: Evictions and the Burning of Settlements

Press reports and Urban Resource Centre (URC) investigations show that more than 13,270 houses and shops were bulldozed by various government agencies (including KDA, KMC, DHA and CAA) in the last six years and over 25,000 houses in various other low income settlements are under threat of eviction.

In the last two years, over 1,270 houses and shops were bulldozed by government agencies causing an estimated loss of Rs 150 million to the urban poor. In all these settlements no compensation was paid to the victims. The authorities did not even bother to serve prior notices to these communities as required by law, warning them of the planned evictions.

List of Recorded Evictions in Karachi:

Total number of houses bulldozed since January 1997	1,270 units
Cumulative cases from 1992-96	12,000 units
Total number of houses bulldozed since 1992	13,270 units
Estimated loss to the urban poor	Rs 2 billion
	-,

Note: These are only reported cases and do not include the shops, businesses, schools and dispensaries which were also demolished. In addition, there are numerous cases that are unreported.

Huts on Fire:

There has been a significant increase in incidents of fire in *katchi abadis* of the city. Since January 1997, a total number of 602 huts were gutted in different settlements. These incidents have rendered more than 5,117 people homeless, with an estimated loss of Rs 255.85 million (US\$ 5.69 million) to the urban poor. Five minor children and a 45 year old man were also burnt alive in these incidents.

Two main causes are identified for these incidents; one natural and the other planned. Investigations show that almost all incidents have occurred in settlements whose land was coveted by land grabbers and developers.

The people in these settlements firmly believe that these incidents are not accidents but have been planned after all attempts to force them off their land have failed.

Huts Gutted in Karachi:

Number of huts gutted since January 1997	:	602
Cumulative cases from November 1995 to December 1996	:	2,488
Total number of the huts gutted since November 1995	:	3,088

Note: These are only reported cases. There may be many others which remain unreported.

Reasons for Evictions:

There are many reasons for evictions. i) Development projects are planned insensitively causing dislocations. Many NGO alternatives to such projects have not only prevented evictions but also reduced costs substantially. ii) Evictions become possible because developers and land grabbers are supported by politicians and bureaucrats. Because of this support land record tempering, denial of new entries in the land records and thefts of files creates land tenure disputes making police pressure on low income settlements possible. This happens most in locations where commercial development is lucrative. iii) Badly planned urban renewal also causes evictions. For example, the residents of

Lyari Niazi Colony were evicted for the widening of streets in 1996. There was no reason for the streets to be widened and since then, the widened streets have not even been paved. iv) Evictions also take place because of the selective application of incomplete legal decrees. Often residents are not able to furnish legal proof of ownership due to ignorance and absence of legal support and so cases are decided against them. After such a decision, the government agencies simply attack the settlement without following the required legal procedures.

(Source: Urban Resource Centre and Noman Ahmad, DAP)

In addition to evictions, there is constant shifting and re-shifting of hawkers from the city centres to locations where they can not possibly earn a livelihood. Attempts at rehabilitating them in a planned manner in locations where they can function have not even been attempted. In the Saddar area of Karachi, there are over 6,000 hawkers who have been pushed around for the last eight months denying them the possibility of earning a livelihood.

2.6 The Work of the Urban Resource Centre (URC)

The OPP has been working with communities to develop models for solving local level problems and trying to link up these solutions with macro level planning. However, macro level planning issues at the city level is not the forte of the OPP. This requires a different type of research and on the basis of this research it requires the creation of a space of interaction between politicians, planners and people (people here means formal and informal interest groups, NGOs, CBOs and relevant professional and academic institutions). This space of interaction needs to be created, nurtured and institutionalised. The URC is a Karachi NGO which is trying to play this role. For details of the URC see Box - 2: The Urban Resource Centre.

Box – 2: The Urban Resource Centre

The URC was set up in 1989. Its founders were urban planning related professionals, representatives of NGOs and grass-root community organisations and teachers at professional colleges. They felt that Karachi's official development plans ignored the larger socio-economic reality of the city and as such were unworkable, unaffordable and environmentally disastrous. They further felt that workable alternatives were required and these were possible only with the involvement of informed communities and interest groups.

To promote its objectives the URC identifies the actors and factors that are involved in shaping Karachi's development along with their relationships with each other and with relevant state agencies. In addition, it carries out research on all proposed major urban development projects and analyses them from the point of view of communities and interest groups. This research and its documentation is developed through case studies; profiles of formal and informal organisations and individuals; and by holding forums on different subjects in which the various interest groups (communities, informal service providers, government agencies, political parties) participate. These forums are documented and their results disseminated. This interaction has generated debate and discussion in the press about subjects not discussed before, and brought about substantial changes in how problems and planning are viewed by government agencies and different stakeholders.

Through this process the URC has managed to create a space for interaction between poor communities, NGOs, private (formal and informal) sector interest groups, academic institutions and government agencies. The URC feels that this space needs to be nurtured and institutionalised.

As a result of URC's work, the Karachi Mass Transit Project (KMTP) was modified considerably because of pressure from citizen's groups and was made more environment and cost friendly. Also, due to the information and alternatives supplied to communities living on the Lyari River corridor, the Lyari Expressway, which was going to uproot 125,000 people and cause immense environmental damage to the city, was abandoned. The Expressway project has been replaced by the northern bye-

pass for which the URC has pressed. Also, the URC's proposal for the extension of the circular railway into Orangi, Baldia, North Karachi and Korangi was accepted by the federal government and made part of the proposal for the revitalisation of the circular railway. In addition, URC's research, negotiations and support to the Karachi transporters has helped them in establishing a more equitable relationship with state organisations. URC's research on the garbage recycling industry, not only documented its economic, physical and environmental repercussions on the city, but has made it one of the major interest groups in the search for a new solid waste management programme for Karachi. Through forums, problems (and their micro and macro level causes) of flat owners, scavengers, theatre groups, commuters, residents of the historic districts of Karachi, working women, wholesale markets, transporters and others, have been identified and documented along with their activists. This knowledge has been disseminated and these groups have also been put in touch with each other and with relevant resource persons and professionals. The result has not only been the beginnings of an involvement of communities and interest groups in the planning process but also an increase in the awareness of planning related issues in society as a whole. For example, recently, the government of Sindh cancelled an ADB loan for a sewerage project for Karachi and accepted an OPP-RTI alternative which required no loan, on the basis of forums and advocacy carried out by the URC.

The URC works in close association with the Orangi Pilot Project (OPP) and the Department of Architecture and Planning (DAP) at the Dawood College of Engineering & Technology (DCET). Its work is published through quarterly reports, monographs and a monthly publication entitled "Facts and Figures" which gives details of what has transpired in Karachi during the last month. URC has a three member staff (coordinator-architect, social organiser and administrator). In addition, it gives one year fellowships to young university graduates and community activists who help it in research, documentation and interaction with communities and interest groups. Through these fellowships the URC seeks to broaden its base in society as a whole. At present is has ten fellows working with it. The annual budget of the URC is Rs 1,200,000 (US\$ 21,428).

3. LOCAL GOVERNMENT IN PAKISTAN

The constitution of Pakistan clearly spells out the functions of the federal and provincial governments. However, it only "encourages" the establishment of local government. As such, local government in Pakistan exists under the supervision of various provincial governments where they have delegated some of their functions and responsibilities to the elected local councils through the promulgation of ordinances. These ordinances were promulgated in 1979 and 1980.

Pakistan consists of four provinces, Sindh, Punjab, Balochistan and the North-West Frontier Province (NWFP). The provinces are divided into divisions; the divisions into districts; and the districts into *taluka* or *tehsils*; and for local government purposes the *tehsils* are further divided into unions.

In the rural areas the local government structure is a two-tier system, except for Sindh which has a three-tier system. The two-tiers are a district council and a union council. Councillors are elected on the basis of adult franchise for both these entities. A district councillor represents a population of 50,000 to 100,000 and a union councillor represents a population of 1,000 to 1,500. The number of union councils in a district vary, depending on the size and demography of the district. From among the elected members of both entities, a chairman of the district council and union council is elected. In Sindh, the third tier consists of the *taluka* council which consists of the chairmen of all the union councils in the district. The *taluka* council is basically a debating and coordinating body for the activities of the union councils within its jurisdiction.

Local government in the urban areas is a one-tier affair, except for Karachi. It consists of councillors elected through direct adult franchise. Cities having a population of more than 2.5

million have metropolitan corporations. Cities between 500,000 and 2.5 million have municipal corporations. Towns between 25,000 and 500,000 have municipal committees and towns of less than 25,000 have town committees. The elected councillors elect the head of the council from among themselves. For the metropolitan and municipal corporations the head is known as the mayor and for the other category of urban areas he is known as the chairman of the urban council. The tenure of both the rural and urban councils is four years and to qualify as a voter in the election process one has to be above 21 years of age. The number of urban and rural councils is given in table 1.

Table – 1

Urban and Rural Councils in Pakistan

Urban:

- - -	Metropolitan corporation Municipal corporations Municipal committee Cantonment boards Town committees	02 (Karachi and Lahore 15 (Plus five in Karachi 156 40 301	
Rural:			
-	District councils Union councils	118 4,565	

Within the urban areas, development authorities have been established in the bigger cities of Karachi, Lahore, Faisalabad, Hyderabad, Peshawar and Multan by the provincial governments due to their substantial development needs. There are also autonomous Water and Sewage Authorities (WASA), whose work is supervised by the development authorities. Karachi is an exceptional to this as instead of WASA it has a Karachi Water and Sewage Board (KWSB) which has been a subsidiary under the Karachi Metropolitan Corporation (KMC).

District Coordination Committees (DCC) consisting of elected members of the district council (government officials in case the council does not exist) are set up at the divisional and district levels to coordinate activities of all the councils and development departments. The DCC consists of 11 elected members from urban and rural areas on a population basis. The divisional coordination committee consists of the chairmen of the district councils and urban municipalities that lie within the division boundary. The DCC and the divisional coordination committee are involved in the preparation and approval of development schemes financed from the Annual Development Plan (ADP).

Schemes prepared by the union councils, district councils and municipal committees are first considered by the DCC. Then their recommendations are sent for approval to the divisional committees. The provincial governments then provide development funds for the schemes. Here, it must be noted that at the division level there is no elected local government.

At the level of the ward of each elected urban and union councillor, a *panchayat* committee is established. This committee is headed by the elected councillor and its two other members are residents of the area and are selected by the councillor and approved by the concerned council. The functions of the *panchayat* committee are explained in section 4.2.8.

The provincial local government departments manage the executive side of the local councils. All the major development works are designed and implemented by the provincial line departments except in the case of metropolitan and municipal corporations and small items of works at the local level. In addition, the provincial government can dismiss the councils simply by accusing them of mismanagement and or corruption. The major line departments are Public Works Department (PWD), Public Health Engineering Department (PHED), Health, Education and Local Government and Rural Development (LGRD). The police is also directly controlled by the provincial government. It must also be noted that an almost negligible number of local councils can raise revenues for their overheads and operational costs or for development works. As such, they depend on federal and provincial government grants and or loans. This is illustrated in Table 2 and 3 below.

Table - 2

Direct Expenditure of Functions and Level of Government 1994/95

Function	Level of Government			All
	Federal	Provincial	Local	
Defence	100	0	0	100
Debt servicing	83	17	0	100
General Administration	47	43	10	100
Law and Order	32	68	0	100
Economic Services	66	32	1	100
Social services	24	70	6	100
Education	10	88	2	100
Health	17	66	17	100
Community services	56	39	5	100
Subsidies	66	34	0	100
Other	23	52	25	100
Total	67	29	4	100
Local public services	21	53	27	100

Source: Supporting Fiscal Decentralisation – World Bank, 1996

Table - 3

Receipts of Local Councils

Source	Percentage of total receipts – Urban Councils
Octroi and export tax	50
Property taxes	70
Other taxes	6
Total taxes	63
Licences and fees	6
Water rates	2
Other non-tax	15
Total non-tax	23
Development grants etc.	13
Total	100

Source: Hafiz Pasha and others, 1992

It is therefore not surprising that for long periods of time there is no local government in Pakistan and that councils have been often dismissed arbitrarily. When local government is non-existent, the local councils are run by an administrator who belongs to either the federal or provincial civil service cadre. These administrators are not answerable to the people of the council but to the provincial government. The relationship between the councils and the bureaucracy is described in <u>Appendix –1: Local Government and the Bureaucracy in Pakistan</u>.

In addition to the above problems, local government has no cadre of its own. Officers from provincial government are sent to work with the local councils as a punishment and therefore, it is not surprising that the lack enthusiasm and willingness to serve. The situation has been summed up by a government publication: "Local government is weak financially with a narrow and inelastic tax base and few sources of revenue which are under its exclusive jurisdiction. Being the subordinate authority which derives its very existence through an act of legislature (provincial law) it can be created, modified, suspended or abolished at the will of the provincial government. As a result of this local government has newer enjoyed a continuity in its life"⁷.

4. LOCAL GOVERNMENT IN KARACHI

4.1 The Karachi Metropolitan Corporation (KMC)

4.1.1 Structure and Functions

The position of the KMC in relation to the various other institutions in the city is illustrated in Chart - 1. It is obvious from this chart that the KMC is not the government of Karachi and that authority for planning, implementation and policy making lies elsewhere.

When it was operative, the KMC council consisted of 262 members elected by the people of Karachi division. These councillors elected a mayor from among themselves. The Mayor presided over the meetings of the council; he supervised the financial and executive administration of the council; he had the power to check the accounts and records of the council; and he could order the stoppage of any development work in public interest.

The executive side of the KMC is under the administrative control of the provincial LGRD department. This is headed by the secretary of the LGRD who is a civil servant. The executive head of the KMC is the Municipal Commissioner who is also a civil servant. In place of the mayor, an administrator is appointed by the provincial government when the council is non-existent. Administrators in recent years have been selected from civil society and the present one is a retired army officer.

By virtue of the Fourth Amendment to the Sindh Local Government Ordinance (SLGO) 1979, a two-tier federal system was adopted for Karachi and as a result, four municipal committees were created as subdivisions of the KMC. However, in 1996, through another amendment to the Ordinance, Karachi was divided into five District Municipal Corporations (DMC). These changes have caused much confusion.

KMC comprises three major sections: i) General Administration; ii) Finance; and iii) Engineering. Other sections include education, health, legal affairs, land management, and development. Chart -2 illustrates the structure of the KMC.

⁷. Wajidi, Abu Zai: Local Government in Pakistan – A Case Study of the KMC (1842-1988): Karachi, 2000.

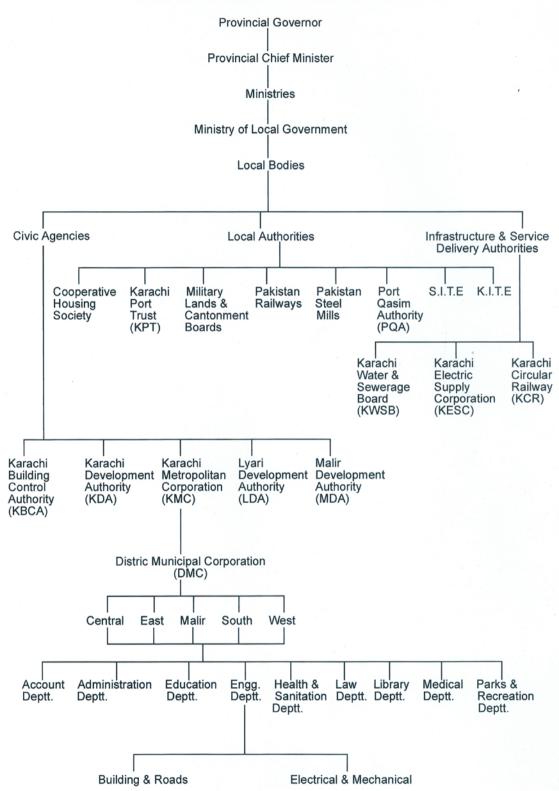
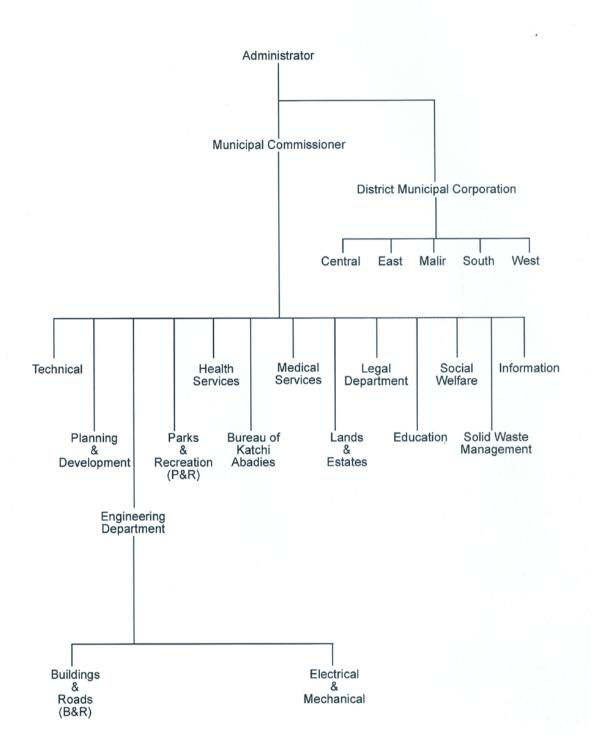


CHART-1 LOCAL GOVERNMENT STRUCTURE IN SINDH

CHART-2 STRUCTURE OF KARACHI METROPOLITAN CORPORATION (KMC)



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The functions of the local government are defined in the ordinances. They consist of compulsory and optional functions. Their powers are very wide but the councils cannot discharge even the compulsory functions because of a lack of finances and capacity and capability. Under the compulsory functions the KMC has to provide for sanitation; removal and collection of garbage; provision of water supply, drainage and sewage; maintenance and repair of roads; removal or encroachments; fire fighting; the provision and maintenance of street lighting and road signs and primary education. The optional functions are the establishment of child and maternity health centres, hospital and dispensaries, development and maintenance of godowns, parks, recreation areas and social welfare institutions; regularisation and development of *katchi abadis* through the Katchi Abadi Directorate; grant in aid to the councillors to undertake emergency level development and maintenance works. The optional services are also provided by provincial line departments and agencies. It can be safely said that KMC's involvement in performing its optional functions has decreased and has been taken over by federal and provincial departments and agencies except for its work in the *katchi abadis* and grant in aid to its councillors.

4.1.2 Revenue

Octroi has been the main source of KMC's income. However, the right to levy octroi was taken away by the last elected government. In spite of this the taxes that the KMC can levy are numerous but in many cases the provincial government has the right to levy or have a share in many of these taxes. For example, tax on property, motor vehicles, professions, traders and entertainment are co-occupied. This reduces the tax potential of KMC.

KMC's receipts and expenditure are given in table 4 below. It is clear from these figures that the KMC cannot function without its main source of income which is from the federal government and amounts to 81.33 per cent of its revenue.

Table - 4

	Rs in Millions	Percentage
Receipts	4,800.51*	100
Expenditure:		
 KMC establishment and overheads Development works Grant to the DMCs Grant to KWSB for sewage maintenance Others 	712.50 995.44 2,280.00 275.00 537.57	14.84 20.74 47.50 5.72 11.20
		100 %

KMC: Receipts and Expenditure 2000 - 2001

*. Of this Rs 3,904.26 million is provided by the federal government

Source: Daily Dawn, 25 June 2000

4.2 The KMC's Relationship with Other Civic and Local Government Agencies

4.2.1 Government Agencies / Departments Involved in the Governance of Karachi

A number of local, provincial and federal agencies and departments are involved in the governance of Karachi. Most of them have independent fiscal powers, separate governing boards, various departments and many ad-hoc arrangements that give discretionary powers to its chief executives or governing bodies. Such powers make it possible for politicians and or bureaucrats to promote patronage and corruption. In addition, due to these factors there is much "overlap of functions, duplication, redundancy, waste and inefficiency". A list of agencies and departments involved in the governance of Karachi is given in <u>Box 3: Civic Agencies in Karachi</u>.

Box - 3: Civic Agencies in Karachi

- Municipal bodies under Sindh Local Government Ordinance:
- Karachi Metropolitan Corporation (elected, municipal function)
- Karachi district and union councils for rural areas (elected)
- Six cantonment boards (under Cantonment Act 1924, elected but headed by government functionaries, federal status)
- Special purpose ad-hoc authorities (under provincial status):
- Karachi Development Authority
- Malir Development Authority
- Lyari Development Authority
- Karachi Water & Sewerage Board
- Sindh Industrial Trading Estate (SITE)
- Karachi Transport Corporation (KTC)
- Special purpose ad-hoc authorities (under federal status):
- Karachi Port Trust (KPT)
- Port Qasim Authority (PQA)
- Airport Development Authority (ADA)
- National Highway Authority (NHA)
- Karachi Electric Supply Corporation (KESC) (under WAPDA)
- Karachi Gas Supply Corporation (KGSC)
- Provincial government departments:
- Education Department (Sindh government schools and colleges)
- Health Department (Sindh government hospital and dispensaries)
- Sindh Social Security Department
- Local Government Department
- Home Department (police both for crimes and traffic control)
- Zakat & Usher Department (for distribution of zakat and usher)
- Excise and Taxation Department (collection of property and motor vehicle tax)
- Federal Government Departments:
- Pakistan Railway (for urban railway)
- Directorate of Health (for federal government hospital and dispensaries)

- Education Department (for federal government Urdu college and some schools)
- University Grants Commission (for universities)
- Pakistan Public Works Department (for federal government employees official accommodation and property etc.)
- Board of Revenue (for governmental lands)
- Military Engineering Services (responsible for military camps and estates)

Source: KDA: The State of the World Cities Series 1998 – Megapolis of Karachi, Karachi, 1998

There is no coordination among the various service providing agencies except through the very busy commissioner and equally busy deputy commissioners. Considerable damage, often irreparable takes place to physical infrastructure (in addition to raising costs and promoting delays) as a result of a lack of coordination between electricity, gas, water supply, sewage, and telephone development and maintenance works. As a result, there are financial claims and counter claims of various agencies against one another and the residents of Karachi are the main victims of the problems that arise due to these factors.

4.2.2 District Municipal Corporations (DMCs)

As mentioned earlier, Karachi has five DMCs. Each DMC has an administrator and an active finance and engineering section. However, the district commissioner is the head of the district, in-charge of maintaining law and order and head of the DCCs. The functions of the DMCs are similar to those of KMC and as a result, there is much duplication and wastage of manpower and financial resources. The DMCs and the KMC are unaware of each other's development projects and often DMCs make peace-meal investments in many projects which the KMC has taken up in the same fiscal year. The DMCs do not have to powers to mobilise resources of their own through taxation and depend on grants and allocations from the KMC or from the provincial government. Apart from DMC West, which has been investing in tertiary sewage disposal under the head of storm water drain development, other DMC's main development work consists of road and street repair and maintenance and construction and repair of bridges and culverts.

The main source of income of DMCs comes from the divisible pool of the KMC (in view of octroi which has been abolished), and their share of property and betterment tax from the government of Sindh. Income from their own sources is very small and they do not get their allocated share from the government of Sindh because 22 per cent of it is deducted at source to service the international loans that the KWSB has received from the provincial and federal governments. The picture is given below in tables 5 and 6.

Table – 5

DMCs Receipts and Expenditure

			(Rs. in million)
	Receipts	Development Expenditures	Non-development Expenditure
DMC Central	810.799	315.86	494.61
DMC East	760.00	240.00	530.00
DMC South	674.61	79.67	594.64
DMC West	680.00	355.62	324.38
DMC Malir	228.70	77.15	151.58

Source: Daily Dawn of 25 June 2000

Table - 6

DMCs Sources of Income

				(Rs. in million)
	Grant by KMC in lieu of octroi	GOS on account of Property & Betterment Tax	Own sources	Grant of Primary Education
DMC Central	605.00	8.6	113.19	-
DMC East	590.00	140.0	30.0	0.50
DMC South	535.30	113.61	-	2.75
DMC West	440.64	199.10	27.51	12.75
DMC Malir	210.00	10.0	8.7	-

Source: Daily Dawn of 25 June 2000

From the tables it is clear that non-development expenditure of the DMCs far exceeds development expenditure and that they rely almost entirely on grants. They function largely as a repair and maintenance unit of the KMC (but with no coordination with it) rather than a development or service providing agency. However, the DMC does provide grant in aid to elected or nominated councillors for small works in their wards. It is also supposed to design and supervise this work; and more recently solid waste management has been entrusted to it.

Currently, the DMCs face other problems as well. The use of the recently created poverty alleviation fund has been placed with the deputy commissioner. The engineering departments of the DMCs are now working for him on poverty alleviation projects and as a result, the DMC's own work is suffering considerably.

4.2.3 Karachi Development Authority (KDA)

The KDA is in-charge of town planning and its related functions and their implementation for the city of Karachi. It is subservient to the provincial department of Housing and Town Planning and its Director-General (DG) is a civil servant. The only relationship the KMC has with KDA is that its mayor or administrator is a member of the KDA's Governing Body. Unlike the KMC, the KDA is a non-representative entity and as such, not answerable to the people of Karachi, although some members of the public have been nominated to its Governing Body. Recently, the KDA has been divided into KDA, Malir Development

Authority (MDA) and Lyari Development Authority (LDA). Territorially the jurisdiction of KDA, MDA and LDA far exceeds that of the KMC. The relationship between the KMC and KDA is that the KMC (an elected body) takes over the maintenance of schemes and townships that the KDA (a non-representative body) develops without the involvement of the KMC. This leads to major problems in the functioning of infrastructure and in its planning and implementation. A suitable mechanism for coordination between these bodies has always been problematic to say the least.

The KDA is under severe financial stress as it is supposed to generate its own funds through building permits, regularising and regulating building violations, sale of plots and issuing licences to practising professionals. It is rapidly consuming its land and financial assets to survive. Because of an absence of effective coordination between it and other service providing agencies, its schemes and development projects suffer long delays and financial losses. A powerful politician-bureaucrat-developer nexus makes a mockery of its development and land-use plans and deprives the city of Karachi of amenities and effective planning.

4.2.4 Karachi Water and Sewage Board (KWSB)

KWSB was established in 1983. Up to 1996 it functioned as a subsidiary organisation of KMC. In 1996, it acquired the status of an autonomous institution but it was unable to collect its own service charges and taxes from its customers and therefore, it has had to depend on a huge subsidy from KMC for operation and maintenance. For the planning and implementation of new water supply and sewerage projects it has relied on foreign funding and foreign consultants. It owes Rs 46 billion (US\$ 0.82 billion) to the federal and provincial governments for loans it has taken for development and related projects. It has not yet started to services these debts. As a result, the government of Sindh cuts the share of the municipal and development institutions to service this loan which adversely affects the development budget of the province.

According to KWSB Act of 1996, one of its responsibilities is disposal of sewage in the Karachi, but it services only 20 per cent of the city. The rest 80 per cent is serviced by other line departments, housing societies and people themselves. Even in this 20 per cent area, the system is defective. In most of these areas, the sewage has been diverted to storm water channels (drains and creeks), and these channels all over the city are the responsibility of the KMC. Therefore, on one hand, KMC by default has taken the responsibility of city's sewage disposal by doing desilting and repair of these channels, and on the other hand it is providing Rs 375 million per year as subsidy to KWSB for maintenance and refurbishing of the existing system. KMC feels that it is KWSB's responsibility to take care of these channels since a subsidy is being provided to it. This is a conflict between KMC and KWSB. Another continuing conflict between them is related to the damage caused to roads by overflowing sewage, a damage that KMC or DMC are supposed to rectify.

Provision of water supply and sewerage infrastructure is common to both KMC and KWSB. The difference, however, is in the level of the service they provide. KWSB largely undertakes work on trunks and mains whereas the KMC usually provides secondary and tertiary level of work. In the KDA schemes and townships, KDA develops the sewage and water supply network and is suppose to connect to KWSB primary infrastructure. This primary infrastructure is often non-existent. The KWSB budget 2000 – 2001 shows us that finances allocated for development work for a rapidly expanding city are only 8.64 per cent of its total outlay.

4.2.5 Karachi Electric Supply Corporation (KESC)

The KESC is a public limited joint stock company registered under the Companies Act 1882 and amended through Companies Ordinance 1984. The company is listed with the stock exchange in Pakistan and its affairs are administered through M/s. Pakistan Electric Agencies (Pvt.) Ltd., wholly owned by federal government in the Ministry of Water and Power. It is responsible for generation of electricity, its transmission and distribution in Karachi, part of Thatta in Sindh and Hub Chowki, Uthal and Bela in Balochistan.

For erection of electric poles and transmission lines KESC requires to obtain a no objection certificate (NOC) from KMC and have to pay the cost of land utilised. In the similar way KMC is also required to seek NOC from KESC for fixing of street lights. For each luminary a flat rate is charged per month by KESC. In many areas KESC also maintains street lights under contract from KMC.

Water supply distribution as well as its bulk supply and operation of sewage disposal works is done mechanically with the power supplied by KESC. Due to frequent power failures and load shedding both these municipal functions are adversely affected. Riots due to power failures and attacks on KESC and KWSB offices are quite common in low and lower middle income settlements and people are compelled to buy water from tankers at exorbitant rates.

The officials of KESC and other civic agencies accuse each other. KWSB claims that their motors burn out due to low voltage and as such, it is unable to pump water into the network. The KWSB, on the other hand, insists that all vital installations like water pumping stations, are exempted from load shedding.

In addition, there is no coordination between Karachi Building Control Authority (KBCA) and the service providers. As a result, high-rise buildings and townships are created without adequate water and electricity for their needs and without a disposal for their sewage systems and so problems follow.

KESC also suffers a huge loss of revenue due to the theft of the electricity by all sections of society. This theft is arranged through the KESC line men and inspectors by middle men. The middle men and the KESC staff receive money from consumers to make this theft possible.

4.2.6 Cantonment Boards

There are six cantonment boards in the Karachi Metropolitan Region. The cantonments perform the functions of KDA and KMC in their own area. Their functions in some cases are in conflict with those of local authorities and development agencies. For example, they do not follow the building bye laws and zoning regulations of the KBCA and develop their own town and sector plans.

Most of the cantonments have been physically absorbed in the city but they continue to have an independent administrative system headed by the station commander. Since the Ministry of Defence is the controlling authority for the cantonments, this system embodies the presence of the central government on the local scene.

The cantonments get bulk water from the KWSB and in theory, are supposed to connect their sewers to KWSB disposals. For this, the cantonments pay a fee to the KWSB and the KMC. Disputes between the cantonment board and KMC and KWSB are common and if they cannot be settled departmentally, they are taken to DCC. Sometime, a special sub-committee is set up by the DCC to resolve the problems.

The revenue of cantonment boards comes from conservancy charges, property tax, development charges, lease charges and various fees such as building permits and regularisation of building and land-use violations.

4.2.7 Role of the Commissioner and Civil Administration in the Governance of Karachi

The district administration is the primary field arm of the provincial government which deals with a variety of subjects such as education, health, roads, irrigation, agriculture, police, civil defence, livestock, forests, industries, rural development, transport, social welfare and local government. The Commissioner of Karachi is the head of the divisional administration on behalf of the provincial government. He is required to coordinate the activities of the divisional level offices of the provincial government. All local authorities and agencies in Karachi rely on him for arranging coordination with each other. Most policy decisions related to planning, maintenance and operation of services, law and order and social sectors are referred to committees of which he is a member. He is also a member of the governing body of all civic agencies in the city. He often coordinates his involvements with the district commissioners, who are his subordinates and in-charge of district level activities.

It is not possible for the Commissioner to coordinate and sort out the problems of and between so many institutions and departments which have overlapping functions. As such, decisions take a long time to be arrived at, are hastily taken and their implementation cannot be monitored.

4.2.8 The De-jure and De-facto Functions of the Ward Councillor

A councillor can undertake all or any of the functions given in the schedule two of the SLGO 1979 provided he has funds to perform these functions. For the performance of its functions, every district council from among themselves elects committees or sub-committees for subjects including finance; works; health; social; cultural and sports activities; *katchi abadis;* land control; property management; water and sewerage; information and public relations; education; naming of streets, institutions and other places; food and agricultural development; legal affairs; establishment and coordination and supervision. These committees are elected for a tenure of one year each. Members rotate in them so that each council is represented by its councillors in at least four committees over a four year period.

The structure of the *Panchayat* committees has been explained earlier. They are three member committees (the councillor being one of the members) and are created by the councillor and approved by the district council. The functions of the *panchayat* committees are given in Box - 4: Functions of *Panchayat* Committees.

Box – 4: Functions of *Panchayat* Committees

Judicial functions:

- All offences under the Sindh Local Government Ordinance, 1979
- Cases under the Muslim Family Laws Ordinance, 1961
- Sindh Standard Weights and Measures Enforcement Act, 1975

Under the 1979 Ordinance a *panchayat* may award punishment of imprisonment up to six months and or fine not exceeding Rs 1,000.

Social welfare functions:

- Supervision of mosques
- Motivating the Muslim population to order its life in accordance with Holy Quran and Sunnah
- Promotion of mosques
- Teachings of Holy Quran
- Promotion of adult education
- Promotion of welfare schemes for the care of orphans and destitutes
- Arrangement for Eid prayers and other religious gatherings
- Campaign for discouraging social evils and juvenile delinquency
- Keeping record of persons residing in the panchayat area
- Social boycott of habitual criminals
- Maintain records of births, deaths, marriages and divorces
- Watch and ward of the mohalla
- Maintenance of important statistics
- Any other functions of a district council entrusted to *panchayats* by the district councils of the government

Source: KDA: Land Mark – April/May 1981, Karachi

The functions of a councillor are very wide but he cannot carry them out. This is because he has no funds; no trained staff for administrative, engineering and social sector projects and programmes; and in most cases no links (often by choice) with grass root organisations and CBOs.

In addition to his de-jure functions, the councillor, especially in low income settlements, performs a lot of other functions so as to bridge the gap between provincial government departments (such as the police) and service providers and poor communities. Local councillors are being encouraged to undertake remunerative projects to increase their income. Initial grants and loans are being extended to them for shopping centres, *serais*, bus stands and construction of commercial-cum-apartment buildings. However, in almost all cases they do not have the expertise to plan and manage these projects.

4.3 THE ROLE OF NGOS AND CONCERNED CITIZENS

Karachi has a large number of NGOs and CBOs. While CBOs look after part of the development and maintenance needs of their neighbourhoods, NGOs try to interact with government agencies in making policies and plans more realistic and people friendly. They hold forums regarding the problems of the city and its residents, invite interest groups to these forums, and get their point of view published in the press. The government usually does not follow the advice of these NGOs but in recent years has started consulting them increasingly. Apart from the OPP and URC, three other NGOs are playing a major advocacy and service provision role. SHEHRI (meaning citizen), struggles against illegal land-use changes; for the implementation of existing laws, regulations and procedures; and for developing the institutional arrangements required for doing this. The Citizens-Police Liaison Committee (CPLC), works against crime and police excesses. Its work is summarised in Box - 5: The Citizens-Police Liaison Committee (CPLC). Then there is Edhi Trust which provides a whole host of services to the people of Karachi and is funded almost entirely by funds generated from the city.

Box - 5: The Citizens-Police Liaison Committee

The Citizens-Police Liaison Committee (CPLC) was established by a group of industrialists and professionals of Karachi, with the help of the then Governor of Sindh, Justice (Retd) Fakhruddin G. Ibrahim in 1989, with Mr. Nazim Haji and Mr. Jameel Yusuf appointed joint heads to oversee the functioning of the CPLC. The Committee was authorised to: oversee the working of police stations through five district CPLCs established adjacent to the respective Senior Superintendent of Police (SSP's) offices; educate and assist the citizens to enforce their rights vis-a-vis the police; assist the police in the performance of their legal duties; motivate citizens to help the police in 'Beating Crime Together'; and, assist the citizens who are victims of crime. The CPLC also has a Central Reporting Cell (CRC) located at the Governor's House and District Reporting Cells located at District SSP offices for easy access to the general public to lodge their complaints.

The notified functions of the CPLC include: to ensure that FIRs are duly registered and no FIR/complaint is refused; to find out if dilatory tactics are being adopted by the investigating officers in investigating cases; to ensure that the process is being done properly; to collect statistics of various kinds of cases registered and disposed off; to find out if all registers required to be maintained at a police station are being properly and regularly maintained; to find out if any person is unlawfully and unauthorisedly detained at the police stations; to assist the police in taking steps for the preservation of peace and the prevention or detention of crimes; to see that no gambling den or any unauthorised/illegal business is being carried out in the area; to report the acts of misconduct or neglect of duty on part of any police officer; and to perform such other functions as may be assigned by the government. The CPLC also registers citizen's complaints, keeps a record of car thefts, dacoities, kidnappings, accidents and all such matters related to police assistance.

The CPLC has a Central Command Computers System which allows quick and easy access to information by computerised record keeping and assists the police. There is also a Criminal Identification and Sketching System which develops sketches of suspected criminals in order to identify them. A graphic information system for crime analysis is also available at CPLC which allows satellite imaging of the city. CPLC keeps detailed records of crime reported and those solved. Detailed mapping and statistical records of the information provided is easily available.

CPLC has played an important role in educating and informing the citizens of Karachi about their duties and rights regarding crime and in their dealing with the police. In the last ten years, 229 cases of kidnapping for ransom have been reported and due to CPLC's efforts, 72 gangs have been apprehended, 187 cases (82 per cent) have been solved and 300 criminals arrested. Moreover, the number of kidnapping have fallen from 79 in 1990 to around 20 in 1997 and 1998. Recent data on the theft and recovery of stolen and snatched vehicles from Karachi, shows that with CPLC's help, around 65 per cent vehicles have been recovered.

It is also necessary to point out that the CPLC is very much a citizen's group and it is their effort which is trying to help establish peace in one of Asia's most violent cities. Although the government supports the CPLC's initiatives, it provides only 19 per cent of the organisation's finances; the rest of the contribution comes from citizen's assistance.

OPP, URC and a number of other NGOs have a working relationship with a large cross section of CBOs and interest groups. No local government structure can be effective without recognising them, involving them and making use of their immense understanding and knowledge which few government servants and planners possess.

4.4 CONCLUSIONS

From the picture painted in the above section, it is clear that local government functions in Karachi are fragmented between various provincial and federal departments and agencies of which KMC and the DMCs are merely a part. These agencies have very few resources and depend heavily on grants and loans from federal, provincial and international sources. There is no system of coordination between them at any level except through the Commissioner and deputy commissioners or through top heavy coordination committees that are set up in an ad-hoc manner. The only link of these agencies and departments with the grass roots is through the ward councillor who has no administrative and technical support, no funds for development works, and no involvement in policy and planning issues. All this results in inappropriate planning, bad implementation, wastage, overlaps and a complete absence of transparency and accountability. In addition, the functions that have been assigned to many of these agencies are far beyond their capacities and capabilities. Constant political interference makes matters worse.

5. HOW ORANGI IS GOVERNED

5.1 Description of the Settlement

As a township, Orangi was planned by the KDA and settlement began in 1965. The plan covered 1,300 acres and residents of bulldozed inner city *katchi abadi* were relocated in Orangi. No services were provided (except water which was supplied by tankers), transport and a link road to the city. Around the settlement *katchi abadis* sprung up. Today, Orangi covers an area of approximately 8,300 acres having approximately 100,000 houses with a population of about one million.

The *katchi abadis* of Orangi were established by informal developers with the informal support of government officers and the local police. How this was done is described in <u>Box</u>-<u>6: The Informal Subdivisions of Yakoobabad</u>. The people involved in the setting up these *katchi abadis* emerged as the Orangi leadership. Later on, politicians supported the process of providing and protection infrastructure to these *abadis* and the informal developers and their musclemen became members and local leaders of the political parties. To lobby for services the informal developers created "welfare" organisations which claimed to represent the various sectors of Orangi.

Box - 6: The Informal Subdivisions of Yakoobabad

Yakoobabad is an informal subdivision settlement of about 2,000 houses in Orangi Township. Before 1977, it was vacant land belonging to the Central Board of Revenue (CBR). The CBR had given it on a renewable one year lease as pasture land to an elder of the Rind tribe (henceforth referred to as X). Mr. Y is one of a number of informal developers who have illegally developed more than 200,000 plots on government land in West Karachi alone, over the last 30 years. Like other developers he has close links with officials in the CBR, KMC, police and other departments relevant to his work.

In February 1977, Y moved onto X's land with 100 "destitute" families. These families were transported in trucks along with bamboo posts and mats (supplied by Y) for the construction of shacks. As soon as the families started putting up their shacks, members of the Rind tribe arrived in jeeps carrying guns and tried to eject them. A scuffle followed and a number of Y's people were injured. It was decided between the two parties that no houses would be put up but the "destitutes" could stay on the land until matters were settled.

The next day X hired a lawyer and made a case in a court of law against the occupation of his land. The case was admitted. Y on the other hand, filed a complaint with the local police saying that the Rind tribe had caused "bodily harm" to his clients. After this the local *thana* (police station) arranged negotiations between the two parties. As a result, it was decided that the Rind tribe would receive Rs 500 for every plot that was developed by Y. The plots being given to the 100 "destitutes" were exempt from this payment and Y also did not receive any payments for them. It was further agreed that Y would pay Rs 200 per plot to the KMC officials from the sale proceeds and that the police would receiver Rs 200 or more directly from the owners. After the negotiations were completed, the Rind tribe withdrew its case against Y.

Y then laid out Yakoobabad on a gridiron plan. His apprentices helped him in this work. Space for a mosque and a school were set aside and plots on the main road were allocated for shops and businesses. At this stage negotiations were entered into with representatives and touts of government officials who could be of help in the future development of the settlements. 30 per cent of all plots were set aside for these officials for speculation purposes.

Y engaged donkey cart owners to supply water to the settlement. These suppliers acquired water illegally from the KMC water mains in Orangi. The payment of the first supply of water was made by Y, after which the people dealt with the water suppliers directly. A few weeks after the first shacks were built, a contractor, Nawab Ali, established a building component manufacturing yard, or *thalla*, in the settlement. He started supplying concrete blocks and tin roof sheets for the construction of houses along with technical advice and small credit. As such, he became the architect and the HBFC to the residents of Yakoobabad. He also constructed a water tank for curing purposes and this tank became a source of water supply for which the residents paid. In the initial ten year period, 92 per cent families had built their homes with support from Nawab Ali and 62 per cent had made use of the credit offered by him. At the same time as Nawab Ali, another entrepreneur, Faiz Mohammad Baloch, moved into the area. He set up a generator and started supplying electricity to the residents at the rate of Rs 30 per tube light or a 40 watt bulb. Later Faiz Muhammad Baloch opened a video hall where three films per day were advertised and illegally exhibited to an audience of about 20 to 50 people per show. The local *thana* permitted this and received *bhatta* (illegal gratification) for their support.

Y has formed a welfare association of all the households who have ever purchased a plot from him. This association is a legal person registered under the Societies Act. The Yakoobabad families became members of this association and through it Y and the Yakoobabad leadership have lobbied for infrastructure and improvements in the settlement. In this they have been helped by officials and politicians, who hold plots in Yakoobabad.

Most of the early residents of Yakoobabad were people who owned no homes or who could not afford to pay rent. Later residents came to Yakoobabad to escape from degraded physical, social and environmental conditions in the inner city. By 1989, Yakoobabad had become a "proper" settlement. Today it has water supply, sewage, schools and micro enterprises and people are improving their homes.

The people of Yakoobabad have paid far more through bribes and extortion for their land and its development than they would have for a government developed housing scheme. But, they have paid for this incrementally over time and in sums that were affordable to them. In addition, this struggle to improve their conditions has transformed them into a community.

When the KMC started to invest in infrastructure in Orangi, a new leadership emerged which had close links with the Orangi developers and leaders. This leadership consisted of contractors and their touts who had a close links with the KMC engineers. A powerful nexus between the old leadership and its musclemen, contractors, councillors and the staff of the local police station and the KMC was created. In the political process, this nexus changed loyalties frequently and ended up by supporting the most powerful ethnic party in Karachi.

Community organisations and a powerful informal sector emerged to provide services, employment, health and education services to the Orangi residents. The work of these two entities is described in section 5.2.8. These CBOs and the informal sector have brought

about an enormous change in the sociology and economy of Orangi. In this process they have been helped by the OPP whose work with communities is described in section 6.

The people of Orangi are a very mixed lot. They come from all over Pakistan, Bangladesh and India and live both in separate and mixed neighbourhoods. They constitute about 10 per cent of Karachi's population and so, Orangi is often known as mini Pakistan. The majority of the population is working class and those who are not are the descendants of working class parents.

5.2 Who Does What in Orangi?

5.2.1 Karachi Metropolitan Corporation (KMC)

Before the formation of the DMCs, the KMC provided grant in aid to contractors for carrying out neighbourhood level development works. However, this is now done by the DMCs. The KMC's present involvement is through its Directorate of Katchi Abadis (DKA) which provides leases to the people of Orangi under KAIRP. For this, the KMC sets up mobile lease camps where through a "one-window operation" residents are supposed to acquire lease. The camp concept was developed to simplify procedures so as to save people time, money and hassle and to make corruption more difficult, but this has not worked out all that well. Inaccurate maps of the settlements are developed on purpose by the KDA showing existing houses as open plots and commercial or amenity areas. In addition, the staff does not turn up regularly during the camp period and people have to wait for it for hours on end. To rectify errors in the map requires informal payments and so does getting a lease promptly. Due to these problems the residents are forced to seek the assistance of middle men who get a 120 square yards plot leased for Rs 7,500 whereas the actual lease charges are only Rs 4,500. The Rs 3,000 charged in excess by the middleman is shared between him and the staff of the KMC and the registrar's assistants. There are other problems also. People have to pay at one go as there is no facility for making payment in instalments which is more appropriate for poor families. In spite of this, about 50 per cent of the houses in the planned area and 25 per cent of the houses in the katchi abadis have acquired lease.

In addition to the above, the KMC still looks after a few parks, playground, bridges and culverts which have not been taken over by the DMC. It also maintains the fire brigade stations and is responsible for the maintenance of the large Orangi creek which is the disposal for all sewage generated in the township. More recently, the KMC has also allocated Rs 2 million for converting two natural drains into box trunks.

5.2.2 District Municipal Corporation (DMC)

DMC performs the following functions. i) Sale of land parcels through the administrator DMC; ii) development work such as construction and maintenance of roads, open surface drains, street lights, parks and playgrounds; and iii) garbage collection and disposal, spray for disease eradication and sweeping of roads and streets. Development plans for the councillor's ward have to be approved by the engineering department of the DMC. Work is then tendered and the contract awarded to the lowest bidder. However, the DMC does not have the capacity to design development work and monitor its implementation. In addition, there is a lot of nepotism in the awarding of contracts and the approval of billings. There is also the problem of inflated rates. As a result, most of the work carried out by the DMCs is substandard and expensive and almost all their contractors have little or no experience of construction work. In the regularisation plan of the KMC's DKA, areas are earmarked for amenities and recreation. However, the DMC seldom develops them as such. Most of the amenity plots are sold to groups or people who wish to set up a school, industrial home or a clinic. The parks are encroached upon by land grabbers if communities do not organise to protect them.

More recently, the DMC has started converting the natural drains of Orangi, into which all of Orangi's sewage is disposed, into box trunks. This is being done because of pressure from the communities who are supported by advice from the OPP-RTI.

The DMC also lifts garbage from various points in Orangi. Transferring garbage to those points however, is not the responsibility of the DMC but of DMC sweepers (health workers) under the supervision of the councillor. Increasingly neighbourhood organisations perform this function.

The DMC has no master plan for the area and most of the development schemes are chosen by the councillors to benefit their friends and relations. The neighbourhood toughs and representatives of ethnic mafias are paid by the DMC contractors so that they may be permitted to execute the work.

In spite of the problems mentioned above, through DMC investment and that of KMC before it, all the main roads in Orangi have been completed and 80 per cent of the lanes are paved. However, the work done is of very poor quality and has been badly damaged due to rains and overflowing sewage.

5.2.3 Karachi Water and Sewage Board (KWSB)

Water to Orangi comes from the Hub Dam which was developed by the KWSB along with the main line to Orangi and the pumping stations related to it. In about 25 per cent of Orangi, a water supply system was executed as a deposit work by the KWSB through an ADB loan. This was completed in 1994 but the KWSB has not yet taken the responsibility for its operation and maintenance. In the resent water crisis in Orangi (there have been no rains and so the Hub Dam is dry), water through tankers is supplied on request to individuals and groups by the KWSB. However, the management of this supply has been entrusted to the Rangers, a para-military federal organisation.

No official sewage system was built in Orangi before 1992, when about 20 per cent of Orangi was the beneficiary of an ADB funded sewage system. However, this sewage system consisted only of trunk sewers disposing into natural drainage channels. The secondary and lane sewers were made the responsibility of the residents and they have nearly completed their work. The sewage system built through the ADB loan was completed in 1994 but neither the KMC nor the KWSB is willing to take the responsibility for its maintenance.

5.2.4 Frontier Works Organisation (FWO)

In 1996, the government of Sindh under a special development fund assigned the work of street paving in Orangi to the FWO, which is a federal government agency which carries out deposit works. The government of Sindh assigned this work by by-passing all other agencies involved in the development of Orangi. This work was carried out in about 5 per cent of the township and was not coordinated with work being done in other areas of Orangi.

5.2.5 Karachi Electric Supply Corporation (KESC)

KESC is responsible for transmission and distribution of electricity in Orangi. It does not have any office in the township but there is a billing and complaint centre. 90 per cent of the premises have electric connections of which about 20 per cent are illegal. These are being rapidly formalised. Getting an electric connection was a long and painful process which included bribing the KESC staff. More recently, because of pressure from community activists, the KESC has accepted the OPP's "internal-external" concept. Under this concept the KESC provides poles and PMT whereas wire and other accessories are the responsibility of the people. Work is done through a KESC authorised contractor who is paid directly by the neighbourhood CBO. Through this process, the cost per house for an electric connection is reduced from Rs 7,300 to Rs 3,608.

5.2.6 Government of Sindh Line Departments

In Orangi there are 76 government primary and secondary schools, one college for women and a technical institute is under construction. Eight of the schools are owned and administered by the KMC and the rest by the education department of the provincial government. The District Education Officer (DEO) is in-charge of the administrative affairs of the institutions under provincial government control. Recently, a school for deaf and dumb persons has been established by the federal government on the advice and through funds made available by an Orangi Member of National Assembly (MNA).

There are five hospitals and four maternity homes that are financed and run by the health department of the government of Sindh. In addition, there is one hospital financed and managed by the KMC health department.

These are the only education and health related institutions run through government funds and under government administration. They are grossly inadequate for the needs of the people of Orangi and therefore, these social sector services are either provided by the informal sector or by national and international NGOs.

5.2.7 The Role of the Councillors

The de-jure functions of councillor and his *panchayat* committee are mentioned in Box 4. Some of these functions are fulfilled in an ad-hoc manner and most of them are not fulfilled at all. The local government provides the councillor with an office and a secretary who is supposed to keep minutes of meetings and accounts. However, almost all councillors prefer to work from their homes and use their secretaries for their personal work.

The councillor's most important function is identifying and arranging for small scale development work in his ward. For this, he identifies the work and requests the DMC to finance it. The DMC's engineering department works out the cost and calls for tenders from contractors and awards the tender. Usually, the tender is awarded to a relative or friend of the councillor and the councillor and the DMC staff have some share in the profit. This inflates costs and adversely affects the quality of work.

But there are other problems also. The development work that is identified is not related to a larger master plan of Orangi or of the ward of the councillor since no such plans exist. Again, if the work is below a certain value, the councillor can get direct funds from the DMC for it and not go through the procedure of having estimates prepared and tendering carried out. So, many councillors prefer to submit a large number of small works for approval rather than a major one. Sometimes, these works exist only on paper although payments have been made for them.

The councillor is also involved in the solid waste management for his ward. Complaints regarding choking of sewers or lifting of garbage are received by him from the people. These are handed over by him or his secretary to the DMC's health workers supervisor. The number of health workers allocated to each councillor vary but in almost all cases only 50 per cent of them come to work. The rest also work in their private capacities for house owners and CBOs and pay the supervisor so that they are absolved from their duties. Many councillors share these payments with the supervisor.

In addition to his de-jure functions, the councillors also perform a large number of informal functions. Most of these are forced upon him by the residents of his ward. For example, he collects demand forms for electricity connections from house owners and deposits them with the KESC. He also arranges for the testification of official documents required by members of his ward. He has a liaison with the local administration and the police. Criminals and law abiding citizens both require his help in matters related to the police station and district administration. Councillors perform these functions and are sometimes paid informally for performing them by those who benefit from it.

5.2.8 The Role of Communities, the Informal Sector and NGOs

Because of the absence of government provided physical infrastructure and health and education facilities, activists, CBOs and the informal sector have emerged in Orangi to fill the gap. The Orangi houses have been built by the people themselves but with advice, materials and credit from small contractors. This credit is in the form of both material and cash. 648 schools have been built by trusts, entrepreneurs and or public spirited individuals and there are more than 800 clinics run by doctors, para-medics and quacks who take care of the health needs of the people of the township. People have come together to arrange water supply by tankers and set up mechanisms for distributing and financing it. They have tried to solve their sewage problems by laying sewer lines and building soak pits. In addition, there are over 40,000 micro enterprises that employ more than 150,000 persons. Every trade and almost every neighbourhood has an organisation whose job it is to present its claims and guard its gains. This process of presenting claims and guarding gains is made possible by lobbying with government agencies, using political influence and catering to the bribe market where necessary.

However, this immense activity has many problems. The technical solutions to infrastructure and housing required professional help which the Orangi residents did not have. The health and education initiatives required training, access to resource persons and institutions, credit and professional advice which were not available. The micro enterprises required technical upgrading and credit for expansion. The former was non-existent and the later was only available in the open market at rates as high as 10 per cent per month. For effective development work, the councillors required area plans, proper designs, clear identification of the needs of their ward and estimates of construction costs. They did not have the expertise to prepare these and nor does the DMC. And above all, the activists of the Orangi CBOs and interest groups required a vision and support so that they may establish a more equitable relationship among the various actors involved in the development drama in Orangi. The OPP has tried to understand the initiatives of the CBOs, interest groups and the government and to give them the various types of support that they did not have.

It must be understood that settlements change. Orangi, when the OPP began working there in 1980, was an entirely working class area. The younger generation however, has received education. Many of them have become white-collar workers, bank managers, teachers, engineers and doctors. The old informal businesses are slowly becoming sophisticated and establishing links with the formal sector. Home schools are being turned into proper schools

and a number of clinics are establishing links with city hospitals and the provincial health departments. These changes are creating a more equitable relationship between government agencies, the informal sector, city level NGOs and the Orangi CBOs. However, this process has been badly affected by a sagging economy creating a big gap between peoples aspirations and the economic reality of their environment.

A number of service provision NGOs are also operating in Orangi but have very little impact on the development of communities and awareness. Young Men's Christian Association support primary and secondary schools. Pak Medico International operates a technical school, a library and a college and offers scholarships to Orangi students for higher education. It also operates a hospital and a dispensary. The Marie Adelade Leprosy Centre have specialised hospital and dispensaries and there are Karachi NGOs who organise free medical camps from time to time.

5.3 CONCLUSIONS

There is little coordination between various government agencies working in Orangi. They do not follow a common master plan and nor do they have an understanding of each other's work and jurisdiction. What makes matters worse is that they belong to various levels of government; federal, provincial and local. The councillor is a major player in the development and service provision drama in Orangi. However, he has no technical or administrative organisation of his own and much of his work is ad-hoc. There are no procedures to promote transparency and accountability in the interaction between provincial government agencies, the DMC, the councillor and the Orangi community and interest groups.

Orangi has developed, to whatever extent, due to the efforts of its activists and its informal sector operators. If it has to develop further, these entities need to be understood and supported. How the OPP has tried to do this is explained in section 6 below.

6. THE OPP MODELS AND THE PROCESS OF THEIR REPLICATION

6.1 The Orangi Pilot Project (OPP)

The OPP was established by Akhtar Hameed Khan, the renowned Pakistani social scientist, in 1980. The objective of the Project was to understand the problems of Orangi Township and their causes. Then, through action research to develop solutions that people can manage, finance and build. For this to happen, it was understood from the very beginning that people would require technical guidance and managerial support to implement the solutions and that technical and social research was a pre-requisite for this to happen. However, Akhtar Hameed Khan was very clear that without the strengthening of neighbourhood or community organisations the OPP would not be a success. In a note that forms the basis of the establishment of the OPP he wrote, "We are all living through a period of social dislocation. Where people have been uprooted from their familiar environment, this dislocation is especially acute. They have to re-establish a sense of belonging, community feeling, and the convention of mutual help and cooperative action. This can be done chiefly through the creation of local level social and economic organisations. Without these organisations, chaos and confusion will prevail. On the other hand, if social and economic organisations grow and become strong, services and material conditions, sanitation, schools, clinics, training, and employment will also begin to improve". He further says, "It must be admitted that a blue print is not available for immediate implementation, although

many instructive models do exist in other countries. Those who want to go beyond the conventional ways should patiently go through the process of investigation, local consultation, experiment, and evaluation." And again, "The development of social and economic organisation cannot be done quickly. Undue haste in this case will surely result in waste. Enough time should be spent on careful investigation of and acquaintance with the local people, their conditions and institutions, a rough time table may be suggested; several months' preliminary plan for the first years, followed by an evaluation based on the analysis of detailed documentation. The process is to be repeated till the emergence of a successful pattern." In addition, the Note says that two fundamental principles should be followed; one, the avoidance of any political or sectarian bias; and two, the observance of a populist point of view and the preference for the needs of the common people⁸.

The above quotations from Akhtar Hameed Khan have been the fundamentals of OPP's methodology. Where government officials, collaborating with the OPP have accepted these principles, programmes and projects have been successful. Where they have not been accepted, projects have failed to achieve their objectives.

Akhtar Hameed Khan was also of the opinion that the OPP institutions should develop models that overcome the financial and institutional constraints that governments face in developing programmes for low income settlements. He had hoped that these models would become a part of government policy. An essential part of his thinking was that government programmes in Pakistan fail because the bureaucrats and professionals who design them are not conversant with the sociology, economics and culture of low income communities or the causes of conditions in informal settlements. An essential part of his project was to create and institutionalise a space of interaction between professionals and communities. The above principles have been followed by the OPP. Details of these are given in Box - 7: <u>OPP Procedures and Principles</u>.

Box – 7: OPP Procedures and Principles

- 1. Identification of existing community organisations and dialogue with them.
- 2. Survey and documentation of what exists; physical, social (actors and their relationships), economic conditions, technology in use. This is to be done with the help of the actors involved in infrastructure development.
- 3. Development of a conceptual plan on the following principles:
- Division into internal and external infrastructure components.
- Component sharing between community, NGO and or government (never cost sharing).
- Decentralisation and miniaturisation of functions/technology.
- Establishment of optimum relationship between needs, resources and standards but appreciating that all three are dynamic and can change over time.
- 4. Using the above principles to build on what exists.
- 5. Identification of activists and support to them financially and technically.
- 6. Development of skills within the community conventionally trained professionals are not an alternative to local para-professionals and technicians.
- 7. Monitoring; it simply means weekly meetings, informed discussions between staff and community members (occasionally with support from resource persons), minute keeping and regular follow up.

⁸. Akhtar Hameed Khan: A Note on Welfare Work: OPP, 1980

- 8. Documentation, dissemination and modification of programme (involvement of consultants, academic institutions and local people).
- 9. Account keeping; all accounts including salary of staff members should be published regularly and made public.
- 10. Collective decision making; all decision making should be made through concerns between resource people, activists, staff members, government officials.
- 11. Relate local level issues to larger urban realities (dialogue with government agencies and politicians).

After years of work the OPP has identified four major problems in *katchi abadis*. These are sanitation and housing quality; employment; health; and education. People organise themselves to try and overcome these problems but in the absence of technical and managerial guidance and credit support, their solutions are usually substandard or unsuccessful.

In 1988 the OPP was upgraded into four autonomous institutions. These are:

- i) The Orangi Pilot Project-Research and Training Institute (OPP-RTI) dealing with sanitation, housing, education, research and training.
- ii) The Orangi Charitable Trust (OCT) dealing with micro credit.
- iii) Karachi Health and Social Development Association (KHASDA) dealing with health.
- iv) The OPP Society which channelises funds from the INFAQ Foundation (a Pakistani charity) to the other three institutions.

The Programmes of the OPP institutions are described briefly in the section below. Of these, the sanitation and micro credit programmes have expanded into other cities. The sanitation programme has had a major impact on donor, government and NGO projects and has been instrumental in creating activists and in mobilising communities to organise and form CBOs.

6.2 Orangi Pilot Project Programmes

6.2.1 Sanitation Programme

Sanitation was the major problem identified by Orangi residents. OPP-RTI held meetings in the lanes of Orangi and informed the people that if they formed a lane organisation; elected, selected or nominated a lane manager; then the OPP-RTI would provide them technical assistance in building their underground sewage system. Financial and health related advantages of the system were also explained. Residents themselves identified that sewage flowing in their lanes was damaging the foundation of their houses. Once a lane organisation was formed, the OPP-RTI technical staff surveyed the lane, established benchmarks with the help of the lane manager and in the OPP office a map and estimate for the work was prepared and handed over to the lane manager. The lane manager collected money from the people, organised work and the OPP-RTI supervised it. At no time did the OPP-RTI involve itself in money matters of the lane organisations. Since a lane consists of only 20 to 40 houses, the organisation was cohesive and there were no major problems of mistrust and

disagreement. One of the major reasons why the OPP Sanitation Programme was accepted and was successful was because of the small size of the community organisation.

Initially, only those lanes which were near a natural drainage channel applied for assistance. Later when lanes far away from the disposals applied, the OPP-RTI identified the location of collector drains. It was hoped that the local government would fund these but it refused to do so. Subsequently, confederations of lanes which made use of the collector drains was formed to finance and build the collectors with OPP-RTI technical advice. For surveying Orangi for the purpose of identifying secondary sewers, the OPP-RTI made use of students and staff of technical and professional academic institutions, as a result of which their students and staff have developed close links with the OPP-RTI. These links have transformed the curriculum of these institutions and with their graduates joining government agencies, it is hoped that government attitudes will also undergo a change.

There are 7,256 lanes in Orangi containing 104,917 houses. Of these, 6,082 lanes containing 91,531 houses have built their sewage systems. The houses have also built their latrines and 409 collector sewers have also been built. The people have invested Rs 80.664 million (US\$ 1.50 million) in this effort. If the government had done this work, the cost would have been at least seven times more.

The reason for the success of the OPP-RTI sanitation model is that the cost per household of Rs 900 (US\$ 16.5) was affordable to the beneficiaries. The cost was made affordable by carrying out technical research, modifying engineering standards, and making procedures and methods of work compatible with the concept of community management of construction and self-finance. Details of how this was done are available in OPP-RTI monographs, reports and books. In addition, the OPP-RTI identified four barriers that communities have to the adoption of its model. These are:

- i) **The Psychological Barrier:** communities feel that infrastructure development is the work of government agencies. This barrier is overcome once communities accept that the lane in front of their house also belongs to them.
- ii) **The Social Barrier:** this is overcome once a lane organisation is formed and is able to clearly identify its immediate objective.
- iii) **The Economic Barrier:** this is overcome once the cost of development becomes affordable.
- iv) **The Technical Barrier:** this is overcome by availability of designs, estimates, tools and training for implementation.

All sewage of the OPP-RTI built systems disposes into the natural drainage channels of the city. This has been a major criticism of OPP-RTI's work. However, the sewage of almost all planned areas of the city also disposes, in a planned fashion, in the majority of cases into the natural drainage channels and it was obvious to the OPP-RTI from the very beginning that these channels would have to be turned into box trunks with treatment plants at places where they meet the sea, if Karachi's sewage problems were to be solved. Unlike the government plans for sewage disposal, the OPP did not seek a separate solution for sewage disposal for Orangi Township but integrated it with a solution for the city as a whole.

Based on its work the OPP-RTI has developed what is calls the "internal-external" concept for sanitation. In this concept there are four levels of sanitation:

i) sanitary latrine in the house;

- ii) underground sewer in the lane;
- iii) neighbourhood collector sewer; and
- iv) trunk sewer and treatment plant.

The first three constitute "internal" development and the OPP-RTI has demonstrated that low income communities can finance, manage, build and maintain these components provided technical support and managerial guidance based on participatory research is provided to them. The fourth item constitutes "external" development and can only be carried out by government agencies or NGOs if they are rich or have access to donor funding.

The OPP-RTI have prepared plans and estimates for the conversion of Orangi's natural drains into box trunks. With the support of its lane organisations and community activists it has lobbied with the Karachi Municipal Corporation (KMC) and the District Municipal Corporation (DMC) for financing this conversion. As a result, in this financial year the KMC has financed the building of two box trunks at a cost of Rs 14.3 million (US\$ 0.26 million). These trunks will serve 850 lane sewers to which 17,000 houses are connected ⁹. The land reclaimed by this conversion and the slab of the drain itself are already being used as a community space.

There have been many spin-offs of the OPP-RTI sanitation model. An ADB funded project (PAK-793, 1990) was modified after the OPP-RTI lobbied for its "internal-external" concept to be made part of the project concept. As a result of this modification, a project that was to cost Rs 1,300 million was modified to cost Rs 36.2 million. Lane activists, trained by the OPP-RTI, supervised the construction of the trunk sewers and did not permit the contractors to do any substandard work as is normally done in government contracts. In addition, infant mortality in areas that built their sanitation systems in 1983 has fallen from 128 to 37 in 1993. The lanes which were full of sewage have been turned into places of social interaction and children's play areas. Value of properties have increased and people are improving their homes.

The OPP-RTI sanitation model is being replicated in 46 Karachi settlements and in seven Pakistani towns. The model is also being replicated in Pakistan's rural areas. A synopsis of this work is given in paragraph 6.4. The principles of the programme are being applied to projects in Nepal, Central Asia, South Africa and Sri Lanka.

6.2.2 Housing Programme

OPP-RTI's research into the sociology, economics and technology of housing in Orangi was carried out in collaboration with the Department of Architecture and Planning at the Dawood College, Karachi. The research established that almost all Orangi houses were substandard because their building materials were of poor quality, skills were inadequate and the contractor and mason relationship with the house owners was inequitable. The study identified the local building components manufacturing yard (called a *thalla*) and its owner (*thallawala*) as the most important actors in the housing drama. The *thallawala* provides building materials, skilled labour and often credit for house building. As such he is also the architect and housing bank of the Orangi residents. The programme has therefore focused on four issues:

i) It has upgraded the quality of concrete blocks by mechanising their production at the *thallas* and by introducing the manufacturing of cheap pre-cast concrete roofing elements at the *thallas* to replace tin sheets. In addition, advantages of proper curing of concrete and good aggregate were also explained to the *thallawalas* and the

⁹. OPP: 80th Quarterly Report: December 1999.

house builders. The new houses can now carry a second floor. *Thallas* were given credit (an average of Rs 75,000 or US\$ 1,400) and advice for mechanisation and improvement. So far, 54 *thallas* have made use of the OPP-RTI package. In the process they have more than tripled their production, increased employment and financial returns and Orangi has become a major exporter of machine made concrete blocks and roofing elements ¹⁰.

- ii) Ninety-six Orangi masons have been trained to use the new technologies and they in turn are training their apprentices.
- iii) Technical guidance and advice is being provided to communities on issues related to design, costs and the nature of relationship they should have with the *thallawala* and skilled workers whom they employ.
- iv) The OPP-RTI has initiated a two-year programme for training educated young men from the Orangi communities as para-architects so that they can advice individual residents on design and construction. Initially, the OPP-RTI tried to get regular architects to set up practices in Orangi but this effort was not successful. The first team of two para-architects has started practising and have developed a substantial clientele, most of whom want their homes improved.

Approximately 4,000 units per year benefit from the housing programme's technical research and its extension.

6.2.3 Orangi Charitable Trust's Micro Credit Programme

According to the Karachi Development Plan 2000, 75 per cent of Karachi's labour force is employed in the informal sector. The major problem of this informal sector is that it has no access to credit. Credit from the informal market carries an interest rate of 8 to 12 per cent per month. OCT's estimates that there are over 23,000 small businesses in Orangi employing more than 120,000 persons.

The OCT's micro credit programme lends to people already running businesses. It also considers lending to people who wish to establish new business provided they are employed in those businesses. So far, 6,921 units have benefited from the OCT programme and Rs 133.944 million (US\$ 2.25 million) have been disbursed. Recovery rate is 92.34 per cent. Mark up recovered at 18 per cent per year is Rs 24 million (US\$ 0.44 million). For further details see <u>Box – 8: An Evaluation of the OCT's Micro Credit Programme</u>. The Programme has been replicated by 38 NGOs and CBOs outside of Karachi. The OCT has provided these organisations with a credit line and training.

Box – 8: An Evaluation of the OCT's Micro Credit Programme

To meet the dual challenge of inflation and unemployment the working class people in Orangi, as elsewhere, are setting up family enterprises; modifying homes into workshops, making females active economic workers instead of mere dependants, and making all members of the family wage earners. On account of low overheads and cheap labour, family enterprises are extremely competitive, and there is a great demand for their products and services. There is great scope too for expansion if they could get credit capital at reasonable rates. But generally the micro-entrepreneurs cannot get loans from commercial banks because of formalities and demand for collateral and also bribes.

OCT was fully aware of the hazards of easy lending without collateral to small entrepreneurs. It knew very well that today default and even blackmailing was the prevailing culture both among the rich and

¹⁰. Salim Alimuddin, Arif Hasan: The Housing Programme of the OPP-RTI: unpublished report, 1997

the poor. Nevertheless, OCT believed that if OCT behaved honestly and faithfully, the debtors too, in course of time, would respond in the same way.

Let us examine what has happened in ten years in respect of issue of loans and recovery of principal and mark-up, the volume and nature of bad debts, rapid expansion and the problems of management and accounts, the emergence of competent and honest clients, and the achieving of solvency.

From 1987 till 1991, loans were given only in Orangi. From 1990: help to micro-entrepreneurs living in areas outside Orangi was initiated; to small entrepreneurs living in Karachi city; to small farmers, herders and traders of Karachi. For management of selection and recovery the clients were listed in groups and an agent was nominated for each group either from the group itself or from OCT staff.

After four years, the groups have disappointed us. They show great eagerness (except rate exceptions) to disburse loans but much reluctance to make punctual recoveries. With passage of time repayment becomes sluggish and the risk of bad debt increases. We have come to the sad conclusion to stop the issue of new loans to some of the groups permanently and to some temporarily. When they have repaid their old loans, OCT will enter into new and stricter agreements. For the next year or two, OCT will not expand its loan operation outside Orangi. In Orangi more efforts will be made to separate well tested competent and honest clients and accept them only as guarantors. The discretion given to supervisors, agents, or group leaders will be severely curtailed. OCT is in the fortunate position of having more than a thousand well tested honest and competent clients in Orangi who have prospered by competent use of OCT loans. NGOs outside will also have to create similar circles of competent and honest clients and depend on them to serve as role models, guarantors and mentors.

As the purpose of OCT was to establish a self-sustained institution for small entrepreneurs, we anxiously monitored the nature and extent of default. From the very beginning we were determined to prevent stealing and shirking inside OCT and, by setting an honest example, create a circle of honest and loyal borrowers. OCT made it a rule not to conceal or overlook cases of default but to scrutinise them every month. Cases of irrecoverable defaults were promptly written off as bad debts twice or thrice each year. We are carefully analysing all cases of default. Bad debt is as dishonest, failure cases and absconder cases.

Discount cases are those in which the total payment made by clients exceeds the loan principal, which the borrowers were unwilling to pay for three reasons: They did not want to pay mark-up; they had closed their business; or they did not want further relation with OCT. Discount cases caused bad debt loss of 45 per cent of total loan and 80 per cent of total mark-up. Bad debt failure cases are those in which borrower collapsed due to death; or was incapacitated chronic illnesses; or lost their capital by fire, looting, extortion; or became heroin addicts; or were shattered by family disasters. Failure cases are 5.34 per cent of total borrowers. For OCT the financial burden of failure cases is quite small. There are 340 absconder cases, of which approximately 25 are bullies, 25 swindlers and the rest crooked losers. Being fleeced by so many bullies, swindlers and crooks was partly OCT's own fault. In spite of its inexperience OCT expanded its operation. OCT has suffered the biggest loss from 340 absconder cases, which is 2.29 per cent of total loan and 4.45 of total mark-up received. In spite of some slack management bad debt losses have been 6.42 per cent of the total loans.

In the future OCT will give loans mainly to competent and loyal borrowers who have repaid their previous loans. The best of them will be asked to form groups of new applicants under their supervision. Thus, OCT's supervisors will concentrate not on selection, but chiefly on recovery and promotion of autonomous groups for loan management, and joint purchase and marketing. At the same time well tested competent and honest clients are being encouraged to serve as role models, guarantors and mentors.

OCT's objective was not simply to alleviate poverty by giving tiny loans to the poorest of the poor. OCT wanted to provide adequate capital to emerging family enterprises so that they could expand their businesses which were very competitive on account of low overheads and cheap labour, and there was a big demand for their products and services. Most of them were unable to obtain any capital from banks due to formalities, and demands for collateral. With OCT's loans the microentrepreneurs got additional investment and working capital to purchase equipment and raw materials, thus increasing production, reducing costs and employing more workers. Those who prospered became role models and teachers for relatives and neighbours. In Orangi, OCT loans have resulted in a spectacular spread of stitching centres (475), consumer stores (1,038) and women work centres (59). Schools and clinics have made improvements with OCT loans (407) and (91).

Source: Akhtar Hameed Khan's unpublished writings.

To begin the micro credit project the OCT pledged Rs one million to the National Bank of Pakistan Orangi Branch to obtain over draft facilities and issued loans from the over draft and deposited recovered instalments back into the account. Annual grants for overheads and donations for revolving loan funds followed, which have made OCT less dependent on bank over drafts. The successful experience of the OCT in micro credit lending has led the commercial banks to initiate micro credit loan programmes with the First Women Bank taking the lead.

6.2.4 Education Programme

OPP-RTI's research has established that there are 682 private schools and 76 government schools in Orangi ¹¹. The private schools have been put up by entrepreneurs, community organisations or public spirited individuals. The OPP-RTI programme is to support these schools by putting them in touch with government support institutions, relevant NGOs and resource professionals. In addition, the OCT provides loans for the physical upgrading of the schools while OPP-RTI provides technical and design guidance. So far, 399 loans of Rs 12.5 million (US\$ 0.23 million) have been provided for upgrading 151 schools ¹².

These schools have a much better standard than the government schools since educated women from the neighbourhood teach in them and the children are well known to them. A parent-teacher dialogue is therefore possible and parents monitor the performance of the school. Because of the involvement of the neighbourhood, the overheads of these schools are low. Fee is between Rs 50 to Rs 100 and this is considered affordable by the parents of the students. Physical and academic improvement is constantly taking place because of OCT credit for physical improvement is available and the OPP-RTI puts the schools in touch with relevant resource persons and institutions.

In 1995, the OPP-RTI School Project was started. This Project consists of identifying young people who wish to open a school. A start up grant of Rs 3,000 to 12,000 is provided to open a school in a rented room or a shack. When the school stabilises, credit from the OCT is provided for its expansion and construction of classrooms. The school initiator is helped in acquiring a plot of land from the KMC or SKAA for building a school. So far 45 schools have been built in this manner. 212 teachers (70 male, 142 female) are employed in these schools and 5,201 students (3,077 male, 2,124 female) study in them ¹³. The programme is expanding rapidly. <u>See Box – 9: Citizen's Education Related Initiatives in Islamia Colony</u>.

Box - 9: Citizen's Education Related Initiatives in Islamia Colony

Abdul Waheed Khan was concerned about the way his *mohalla*, streets and area looked following the rains each year, when Islamia Colony No. 2 in Qasba Township, became a filthy inundated area, unpassable and inhospitable for its residents. A visit to Orangi Town revealed to him the extent of cleanliness and orderliness that could be maintained in a low income community. Waheed Khan was told that much of what he saw and appreciated in Orangi was a result of the work of the people

¹³. Ibid.

¹¹. OPP: 79th Quarterly Report: September 1999.

¹². OPP: 79th Quarterly Report: September 1999.

themselves with the technical help and managerial guidance of the OPP. This was 1994.

Since then, with the help of the OPP, and with community finance, nearly 95 per cent of the streets in Waheed's area have been paved, sewerage lines laid and there has been great improvement in the appearance of the area. The Society which Waheed Khan and other residents of the area formed for development purposes, believes that its greatest achievement is the setting up of a school in their area. This school was set up by Waheed, initially in his own house, with a loan of Rs 1,300 from the OPP.

In the beginning there were no students, so Waheed asked the children of his extended family to come to school, and they did. This resulted in other children also starting to attend the school, and the number soon rose to 45. Soon the space for the school became insufficient and new premises had to be located. This was a costly matter and Waheed had to raise the fees charged by the school to ensure that they could have appropriate accommodation for the new premises. To his surprise, the increase in the school fee, rather than reducing enrolment, increased it considerably.

The school is run by the Bright School Education Society, which was established in October 1996 and has a committee of seven. OPP helped this Society in its early years with advice and when the Society required land to build a school, Dr. Akhtar Hameed Khan, the Director of the OPP, played a pivotal role and requested the SKAA to provide land where the school could be housed. The acquisition of a plot by the Society created numerous problems. The land grabbers of the area asked Waheed to turn the plot into small lots in parternship with them and sell them. When Waheed refused they told the community that Waheed had no intention of building a school but was going to sell the land. This divided the community and turned a number of persons against Waheed. However, when this did not deter Waheed and his partners from their objective, the land grabbers, who are influential persons in the area, had Waheed arrested and took over the plot. The matter was settled in Waheed's favour with the intervention of the DC, but after construction started, Waheed was arrested again as the police wanted a share of the construction cost. Again, the local administration, through OPP lobbying had to intervene to get Waheed released. Construction was finally carried out under police protection.

The school has been built with the help of donations from the community and from loans. It now has four *pucca* and four *katcha* rooms where 250 children study. The Bright School Education Society has also started a health programme, where *dais* have been trained and a maternity home established by the Society. Polio vaccine has also been provided to the children of the area. In addition, a savings and loan scheme has also been started by the Society with assistance from OPP.

It has been the efforts, enthusiasm and dedication of just two individuals in this low income locality, which has led to a transformation of the area and the lives of its inhabitants.

Because of the OPP-RTI education programme there is a major difference between Orangi and other *katchi abadis*. Orangi has a higher literacy percentage and its schools are better in physical and curriculum terms. Many of them have now acquired computers and are training Orangi students in information technology. Young Orangi residents are becoming white collar workers, college teachers, corporate sector employees and formal sector entrepreneurs.

6.2.5 Health Programme

KHASDA's health programme initially consisted of creating a women's organisation in lanes that had built their sewage system. The women's lane organisation was visited by a mobile team every week for a period of six months after which the visits were phased out. The mobile team advised the women's organisation on the causes and prevention of common Orangi diseases. It also arranged visits by government agencies to the lane for immunisation. In addition, it introduced population planning concepts and supplies (the supplies were left with the manager of the lane organisation who sold them to lane residents) and gave advice on nutrition, child-care and kitchen gardening. However, the programme would only reach 3,000 families in which 90 per cent of children were immunised and 44 per cent couples adopted family planning. Surveys show a marked decreased in infant mortality and morbidity.

The programme was far too expensive to expand to all of Orangi and therefore, not sustainable or replicable by government. As such, it was modified. A survey of Orangi was carried out and it was discovered that there were 647 private clinics in Orangi. In addition, there were traditional birth attendants (TBAs) as well. The present programme consists in training TBAs (377 have been trained) and vaccinators (148 have been trained) from the community. An extension programme has been initiated with the private clinics who are encouraged to employ the TBAs and vaccinators. Links between the government's health department and agencies and the Orangi clinics have been established though KHASDA. The clinics were unaware of government support programmes and these programmes before had only targeted CBOs and NGOs (many of whom had no experience of health issues). As a result of the programme, 102 clinics now receive vaccines and 124 clinics receive family planning supplies. These clinics now employ the trained TBAs and vaccinators. The clinics are very supportive of the new programme.

The new health programme seeks to anchor itself in the upgraded Orangi clinics and in Orangi schools where health education is being introduced. An external evaluation of the Programme is yet to take place.

6.2.6 Research and Training

a) Research:

The OPP-RTI's research has had a major impact on the thinking of donors, government agencies, NGOs and CBOs. This research can be divided into four categories.

- i) Research into the sociology, economics and development of Orangi and the identification of actors involved and their relationship with each other on the one hand, and with government agencies on the other hand. As a result of this research, the perception of what informal settlements and their residents and informal sector operators are all about has undergone a major change. This has led to a change in government and NGO policies related to housing, infrastructure, employment and the social sectors (at least on paper and in the government's Five Year Plans) and led to the development of a few innovative government programmes that are based on this research. In addition, the World Bank's Strategic Sanitation Approach (SSA) has also borrowed its concept from the OPP-RTI's sanitation programme.
- ii) Technical research, especially with regard to the development of affordable sanitation and house construction components. The sanitation research and its results have been formally accepted by government agencies such as SKAA, KMC and the Lodhran Municipal Committee (LMC). It has also been accepted the DIFID funded Faisalabad Area Upgrading Project, UNICEF, the UNDP-World Bank Water and Sanitation Programmes Sindh Pilot Project and the now defunct World Bank Collaborative Katchi Abadi Improvement Programme at Hyderabad, Sindh. In addition, it is being used by numerous NGOs and CBOs all over Pakistan, both in rural and urban areas.

- iii) Documentation of problems encountered in the development and implementation of the OPP-RTI models, their causes and the manner in which these problems were resolved. This research is important in sociological terms and because of its documentation government agencies and NGOs have not made the same mistakes that the OPP-RTI has made in its work from time to time. This research has also resulted in the collection of profiles of lane activists and of technical people in the community. This collection has also made the OPP-RTI aware of the qualities required in a community activist, a community technician and a social mobiliser. This makes it easier for the Project to identify potential human resources.
- Research into alternative and affordable systems of sewage disposal in the larger iv) city context. The OPP-RTI has documented the entire natural drainage systems of Karachi into which 80 per cent of the city's sewage discharges along with the problems the drains face due to silting and encroachments. In addition, it has documented the existing infrastructure (both community and government built) of 196 katchi abadis¹⁴. This is the only documentation of its kind that exists and shows that in an ad-hoc manner government, politicians and communities have invested billions of rupees in sewage systems (that drain into the natural creeks) and in water supply. This effort is not even taken into consideration in government and donor funded plans. On the basis of this documentation, the OPP-RTI has effectively challenged the Greater Karachi Sewage Plan of the Karachi Water & Sewage Board (KWSB). From OPP-RTI's documentation, it is clear that the sewage from the natural drains cannot be taken to the existing and proposed treatment plants. The OPP-RTI's solution is that the existing system should be accepted and in the first stage the natural drains should be converted into box trunks with small decentralised treatment plants at the locations where they meet the sea or other water bodies ¹⁵. The rest of the sewage system can be upgraded incrementally over time with local resources. This alternative brings down the cost of the Greater Karachi Sewage Plan by 70 to 75 per cent. Government agencies and professionals are divided on the acceptance of the plan and the debate is continuing. The OPP-RTI has supported its concept by examples from Japan (where a similar approach has been used) and from the development of sewers in the nineteenth century in Europe. The URC has held forums around the OPP-RTI proposal in which effected communities, professionals, NGOs and relevant government agencies have participated. As a result, after meeting with interest groups, the Governor of Sindh cancelled the ADB loan which was to fund the Korangi Waste Water Management Project (KWWMP), a major component of the Greater Karachi Sewage Plan. The Governor ordered that the OPP concept should be used for the planning of the KWWMP. For details see Box - 10: The ADB Loan and the Korangi Waste Water Management Project.

Box – 10: The ADB Loan and the Korangi Waste Water Management Project (KWWMP)

The KWWMP is part of the Greater Karachi Sewage Plan. Its estimated cost was US\$ 100 million. The Project involved a loan of US\$ 70 million from the Asian Development Bank (ADB) and a government of Sindh counterpart funding of US\$ 30 million. In mid 1997, CREED, a Karachi NGO, pointed out that the ADB have violated its own rules and procedures in approving the loan and on this basis CREED mounted a campaign against the Ioan. By December 1997, OPP-RTI presented a concept for an alternative sewage disposal plan for Karachi. This concept when applied to Korangi brought down costs from US\$ 100 million to US\$ 25 to 30 million, which meant that there was no justification left for acquiring an external loan.

¹⁴. OPP-RTI: Survey of Katchi Abadis: under preparation report.

¹⁵. OPP-RTI: Proposal for a Sewage Disposal System for Karachi; City Press, Karachi 1998.

After mid 1998, several presentations regarding the OPP-RTI proposal and CREED's objections were presented at the URC. Activists from Korangi, representatives of NGOs and CBOs from various parts of Karachi, academics, journalists and concerned citizens and professionals attended these forums. All agreed to support the alternative proposal, CREED's objections and to reject the external loan. As a result, two meetings were held in March 1999 with the Governor of Sindh and the alternative plan was presented to him. In April of the same year, the Governor rejected the ADB plan for the Korangi Project and accepted an alternative proposal in principle. He constituted a three-member committee to prepare a least cost option to be financed through local resources.

Despite the Governor's decision, the ADB extended the deadline date for approval of loan from April 22 to mid June 1999 and the federal government pressurised the Governor to take back his decision. In June of the same year, the Governor was removed by the federal government and a new Governor was appointed who requested the ADB for extension for loan approval and a new date of 22 July for it was set. The NGO network opposing the loan sent a petition to the Chairman ADB Inspection Committee. In September, a reply was received from the ADB that the loan has been cancelled because the government of Sindh had failed to fulfil its obligations under which the loan was to be acquired.

Meanwhile, work on the least cost option is in progress and the members of the NGO network meet regularly at the URC to monitor it.

OPP-RTI's research and the alternatives it proposes are documented through monographs, progress reports, books and external evaluations. A list of some of this literature is given in <u>Appendix – 2: List of Important Literature on the OPP</u>.

b) Training and the Development of Human Resources:

Between 1983 and 1988, the programmes of the OPP institutions expanded rapidly and community organisations, activists and NGOs from other *katchi abadis* and informal settlements applied for help in replicating them, especially the sanitation programme. Later, NGOs from other countries also applied for assistance and since 1987, government and international agencies have also been interested in replicating the sanitation and credit model. The OPP-RTI cannot carry out this replication. It does not have the manpower resources or the time. Therefore, the OPP-RTI orients and trains government functionaries, NGO activists and professionals, community leaders and technicians, and potential technical and social support persons from the community. These trainees then replicate the OPP-RTI programmes. The OPP-RTI visits the replication programmes regularly and the replication programme staff visit the OPP-RTI office for advice and further training as and when necessary.

The OPP-RTI also provides fellowships to school educated unemployed young people in *katchi abadis*. Through these fellowships young people learn how to survey and map settlements, estimate costs of infrastructure development and social mobilisation. At present, there are 21 young men undergoing this training at the OPP-RTI office in Karachi. They will be an asset to their communities and will be able to help them in organising for infrastructure development and for establishing a more equitable relationship with the government sponsored KAIRP. As mentioned before, young men from communities are also being trained as para-architects at the OPP-RTI office.

Since June 1992, 527 groups containing 4,320 members have been trained at the OPP-RTI. The largest number of trainees has been from CBOs and NGOs (366 groups containing 2,661 members) followed by government agencies (91 groups containing 1,212 members)¹⁶.

¹⁶. OPP Progress Reports.

In addition to training, the OPP-RTI and OCT professionals lecture at the National Institute of Public Administration to senior and mid-level government functionaries and teach at architectural, planning and engineering academic institutions. This has resulted in curriculum changes in the academic institutions and in creating links with government bureaucrats. Almost all government functionaries supporting people's work in an organised manner have either been associated with the OPP or have attended the National Institute of Public Administration (NIPA) courses in which OPP programmes and methodology have been presented. Also, almost all professionals supporting NGO programmes that build on people's work have been trained at the Department of Architecture and Planning (DAP), Dawood College, Karachi whose curriculum has been closely linked to the OPP's development models. For see Box - 11: The Work of the DAP at the Dawood College.

Box – 11: The Work of the DAP at the Dawood College

In 1979 the Department of Architecture and Planning (DAP) at Dawood College reviewed its curriculum and came to the conclusion that "architecture in the context of Pakistan must be seen primarily as a socially responsive environmental design discipline" and DAP should produce "socially responsive architects".

To promote this philosophy, DAP at the final year level introduced the "Comprehensive Environmental Design (CED) Project". The purpose of this project was to help students identify and understand the actors, factors and their relationships, that are shaping the built-environment in Pakistan in general and in Karachi in particular. Students are given a problematic area of the city to study. They are divided into four groups to study the issues related to administration, social issues, the economics of the area and physical problems. Each group observes, then documents what it observes, investigates the causes for what it has observed, identifies the actors in the causes and their relationships with each other, and the long and short-term repercussions of the process. The groups then come together and develop a common understanding of the built-environment and the inter-dependence between the physical conditions and the social, economic and administrative conditions. This is followed by individual architectural or built-environment related projects for the area. A smaller exercise, similar to the CED Project is carried out under the Environment course in the first year. In addition, DAP has a very close relationship with the OPP and the URC and staff members of both these organisations teach at DAP, while members of the DAP staff are on the governing boards of both OPP and URC.

Due to the Environment and CED courses and the close relationships between DAP, OPP and URC, the whole nature of architectural education at the Dawood College had undergone a change. Students are in touch with land grabbers, transport and water tanker mafias, low income communities, market associations, inner city slum organisations, and government agencies and their plans. As a result, DAP has documented the under-belly of Karachi extremely well in the last 20 years. It is not surprising therefore, that almost all architects working in the development field or involved in advocacy work, are graduates or teachers of the DAP programme.

A Young Professionals Training Unit (YPTU) has also been established at DAP. Its objective is to provide a one-year fellowship to young professionals to work with communities or NGO projects involved in research and advocacy. At present, there are 13 YPTU fellows. YPTU is linked to the OPP's Youth Training Programme and to the URC's Fellowship for University Graduates Programme.

OPP-RTI also arranges lectures for activists and members of community organisations and informal sector entrepreneurs and operators. These lectures are on development, economics, politics and related matters and are delivered by prominent Pakistani academics and professionals. This is done to help create a larger view of development within low income communities that links their reality to national and global issues.

To carry out its work, which is increasing every day, the OPP-RTI has had to develop the capacity and capability of its staff and also to promote in them the philosophy and methodology of the OPP institutions. This has not been an easy job since conventionally trained professionals and technicians think on very different lines. How this has been achieved is described in <u>Appendix – 3: The Development of Human Resources at the OPP</u>.

6.3 Spin-offs in Orangi

6.3.1 The Emergence of Activists

Activists had always existed in Orangi. However, these activists simply lobbied with government agencies and politicians for infrastructure and services. They were usually considered corrupt and unscrupulous by the Orangi residents who tolerated and supported them because they had no other option. These activists became agents of political parties, local police stations and government functionaries. The Low Cost Sanitation Programme produced another kind of activist. This was an activist who organised people, was trained at the OPP, collected money from them, and organised and helped implement sanitation work. Over six 6,000 such activists have been created and some of them can eventually become the alternative leadership for Orangi.

6.3.2 The Emergence of CBOs

People maintain the sewage systems that they have laid. However, in most cases this maintenance is no more than crisis management. Whenever there is a breakdown, people get together and collect money and solve the problem. In a small number of cases where an activist is missing, this crisis management is not very effective.

In contrast to the above, the past three years have seen the emergence of strong neighbourhood organisations run by the activists. These organisations carry out development work on the "internal-external" principle. They cost, develop and maintain the "internal" and negotiate with the DMC to develop and or maintain the "external". Some of the organisations collect government dues and taxes from their neighbourhood and hand them over to the relevant government departments. They keep in touch with the service providing agencies and coordinate their work with it. They also present prizes at public functions arranged by them to those government officials who cooperate with them. The government officials value this association. One of the organisations has also developed a local policing system which the Inspector General of Police wishes to formalise and replicate in other Karachi settlements. For detail see Box - 12: The Work of the Orangi CBOs and Box - 13: The Struggle for Irfan Park.

Box – 12: The Work of the Orangi CBOs

The activists of various Orangi neighbourhoods who have been associated with the OPP institution's through the micro credit, sanitation and housing, health and education programmes have formed CBOs to carry out development works and maintain them and to development a working relationship with the DMC West. Some of these CBOs have become local level "governments" of their neighbourhoods.

Ghaziabad is a neighbourhood of more than 600 households. The Ghaziabad Falahi Committee (GFC) started their work from preparing voter's list. The OPP involved the GFC in developing "internal" sewage lines on a self help basis in 1993. Later, with the help of the councillor the GFC arranged a water supply for its neighbourhood through tankers and organised its distribution. They also took over land for a park from the DMC and have developed and maintained it at their own cost. For over 10 years the Committee tried to get electric connections for the neighbourhood from the KESC and failed. Subsequently, they came to an agreement with the KESC under which the

community purchased wires and accessories and the poles and transformers were delivered by the electric company. The GFC hired KESC authorised contractors to do the work and paid them for it. During the riots in Karachi, a number of decoities were committed in Ghaziabad. The Committee organised a community policing system which was opposed by the local police station but through the intervention of the Inspector General of Police it was formalised. As a result, the GFC patrols the streets and the police looks after the main roads.

Another CBO is the Orangi Welfare Project (OWP). It started by setting up a school and a vigilance committee. The school has an enrolment of 200. The OWP also operates a solid waste management programme under which OWP collects solid waste from the house and lanes and takes it to a DMC collection point from where a DMC van lifts it. The OWP has also arranged for the sweeping of the streets and has disconnected all illegal electric connections in its neighbourhood. It also has a programme for tree plantation and maintain a park. It is currently negotiating with the DMC for providing concrete paving in the lanes which have laid their sewer lines on a self help basis. OWP also organises functions on various important occasions in which they invite government officials, political activists of the area and other Orangi and Karachi NGO groups. Recently, they organised an Akhtar Hameed Khan Memorial Ceremony in which government officials and activists who supported OWP activities were given awards. For financing this ceremony the 32 lanes of the neighbourhood contributed Rs 1,000 each. OWP executive and community members pay Rs 15 to 25 to meet maintenance (tree guards, manhole covers, cleaning of sewage lines, sweeping of lanes etc.) and operational costs of OWP.

Box – 13: The Struggle for Irfan Park, Mujahid Colony, Orangi Town

Mujahid Colony, a comparatively newly developed settlement in Orangi Town, was established in 1980. It was developed by "land grabbers" and consists mostly of 80 and 120 sq. yard plots. While people were settling here, they formed a CBO whose main objective was to deal with land grabbers and government departments so as to improve and protect the environment of the area. Among other things, the CBO also decided to have a park in the settlement. For this purpose it marked 10 unsold plots (each of 120 sq. yards) at the centre of the settlement.

The CBO presented its idea to the land grabbers but the land grabbers, who were expecting a big profit from these plots, refused to leave these plots for the park. The community then met and decided to discourage new settlers to buy these plots. Each time the land grabbers brought clients, the community informed them that this was park land and could not be used for residential purposes. As a result, it became very difficult for the land grabbers to sell the plots.

Despite all efforts by the community, one plot was finally sold. The community soon got to know that the purchaser was involved in the drug business. The community asked the purchaser to leave the area otherwise they would not only inform the authorities about his business but take action themselves. Due to continuos threat and pressure from the community, the purchaser could not establish his business in Mujahid Colony.

After one and half a years of tussle with the CBO, the purchaser sold his house to another person for Rs 40,000. The community also informed the new purchaser regarding the proposed park. "We told him that he would not even be able to have a plot number" says Shamsuddin, a community activist, "But he went on with the deal and also added a room to the house". The community continued in its attempts to save the remaining nine plots. However, in 1993 the land grabbers were successful in selling two more plots to the activist of a political party whom the CBO did not have the strength to fight against.

In the same year, work on the Asian Development Bank's (ADB) sewerage project started in Ghaziabad and other parts of Orangi. As a result, the CBO established contacts with OPP-Research and Training Institute (RTI) which was one of the project partners. According to Shamsuddin they used to hold regular meetings with OPP on the ADB project. While holding meetings with OPP, the community also discussed other issues of the settlement including that of the park.

On the park issue, the OPP advised the community to meet with Irfan Ali the Project Director of the Zonal Municipal Council (ZMC) West. Irfan Ali visited the area on the community's request. He issued an inquiry regarding the ownership of the park. He also issued notices to the owners of three built houses on the same land. They refused to receive these notices and so the notices were pasted on the walls of their houses, but none of the three responded. After three days, Irfan Ali declared the land as a park (1,200 sq. yards) and a modification to this effect was made in the ZMC maps and three houses were bulldozed and the community decided to call the park Irfan Park, after Irfan Ali. The community built a fence around the 10 plots and planted some trees but these were destroyed by the land grabbers who also started to harass the CBO activists.

It was then that the community decided to invite Afaq Ahmed Shahid, then Federal Minister and a resident of Orangi, for the inauguration of the Park. The idea behind this invitation was to seek protection from the land grabbers and get some immediate funds for the park's development. In April 1994 Afaq Shaihd, Irfan Ali and OPP staff came to Mujahid Colony to attend the park's inauguration ceremony. On the occasion the Federal Minister and Irfan Ali planted trees in the park and the Minister announced a grant for the construction of a boundary wall around the park. The construction work of the boundary wall started within a week's time.

The OPP has provided plants for the park from its nursery and the community has shared the cost of water for the plants. The community is happy that their children have a place to play and the CBO can now hold its cultural activities in a proper designated place rather than on the roads. The 14 year struggle for an open space is over.

(Source: Urban Resource Centre, Karachi, 2000)

The activists of these new neighbourhood organisations have had a long association with the OPP institutions. Their neighbourhoods have now become demonstration and training areas for other neighbourhood organisations. This is something that the OPP-RTI now wishes to promote. Through this process the people of the neighbourhoods will take over all decision making related to development and maintenance of their physical and social environment.

6.3.3 Leadership Problems

The new Orangi activists who are the potential Orangi leadership, develop and thrive along with their CBOs, when elected local government has been dismissed or is non-existent. They pose a threat to the old leadership which consists of land grabbers, contractors, police touts and muscle men of political and ethnic parties who invariably get elected as councillors. The old leadership therefore, threatens the activists and CBOs. Ofcourse, this is not true across the board. There have been cases where elected councillors have supported neighbourhood activists and CBOs and where this is happened the people of the ward have been benefited. During the absence of the elected local government in Orangi since 1992, CBOs have emerged as effective players in development process in Orangi. With local body elections on the anvil, these CBOs and their leaders are very concerned.

There are two kinds of CBO leaders. There are those who keep power themselves and give greater importance to their links with the police and government agencies than with the people of their neighbourhood. Then, there are those who work democratically and through the formation of consensus seeking committees. They are primarily facilitators of the "empowerment" process. It is the former that is considered as a threat by the old leadership and the later is looked upon as a possible alley and perhaps an asset.

6.4 Scaling Up of the OPP-RTI Sanitation Model

6.4.1 Through NGOs and CBOs

Attempts to replicate the OPP-RTI sanitation model have been made since 1983 in various locations in Karachi. Initially, the OPP-RTI attempted to work in other settlements on the same pattern as it had in Orangi. However, it soon discovered that without a local organisation taking over the responsibility of social mobilisation and technical support, the model could not be replicated. This realisation led to the training of local activists and technicians and the mobilisation of community organisations. After this, replication within Karachi has posed no problems as the OPP-RTI staff and its expertise have been available at hand. The most successful replication in Karachi has been that of Manzoor Colony where 153 number of lanes containing 2,950 houses have built their underground drainage along with 36 collector drains. This entire system disposes into a natural drain that joins the sea. The community has lobbied successfully with the help of OPP designs and estimates with the administration for converting the open drain into a box trunk. The conversion is now complete and carries with it the affluent of 1.5 million population. This is not only of Manzoor Colony but that of a large planned area of Karachi as well. Plans to install a treatment plant at the end of the box trunks are underway. See Box – 14: The Story of the Manzoor Colony Nala.

Box - 14: The Story of the Manzoor Colony Nala

The Manzoor Colony *Nala* serves as a disposal for sewage and rain water for a large catchment area serving a population of over a million and comprising PECHS, Mehmoodabad, KAECHS, and other settlements including the *katchi abadis* of Akhter Colony, Rehman Colony, Azam Basti and Kashmir Colony. Manzoor Colony, which is a *katchi abadi*, is also situated along the *nala*.

In 1990 the NGO-RC introduced the OPP-RTI to three Manzoor Colony CBOs. With OPP-RTI's technical assistance they built their sewage system and disposed it into the Manzoor Colony Nala. After this the CBOs lobbied with the KMC for channelising and developing the nalla as a proper disposal point. As a result, the KMC prepared a plan for the nalla. The plan consisted of desilting the nalla, compacting earth embankments on either side and building roads along the embankments. The width of the nalla was increased to between 85 to 195 feet. In the process 850 houses were being displaced. The total cost of the project, along with a resettlement plan for the displaced houses, worked out to Rs 266.7 million. In March 1996 work for the desilting, embankment and road making components was contracted out and demolition of the homes began. The demolition created a law and order situation. Residents organised themselves with the help of the Idara-e-Amn-o-Insaf, a Karachi NGO which works extensively with poor communities, and formed the Ittehad Welfare Association. The Association sent petitions to the minister of local government and to the elected representatives of the area. A series of demonstrations were arranged at the Press Club between May and July 1996, in which the women of Manzoor Colony also participated. The Ittehad Welfare Association also pointed out that although only 850 houses were being demolished, the KMC had prepared plans for rehabilitating over 3,000 houses. In addition, after the announcement of the plan, outsiders had arrived in the area and built a large number of shacks along the nalla and had been issued rehabilitation slips by the KMC. As such, the Ittehad Welfare Association was of the opinion that the entire KMC project was nothing more than a land scam.

As a result of the petitions and demonstrations, the DC South requested the OPP-RTI to review the KMC design in February 1997 and propose an alternative. The OPP-RTI prepared an alternative plan, which replaced the *katcha* drain by a covered concrete drain whose width ranged from 8 to 24 feet. Its cost was 25 per cent of the cost of the KMC proposal and no houses needed to be demolished. In addition, 18.72 acres of land from the *nalla* was reclaimed for the KMC. The value of this land was estimated at Rs 271.9 million.

The plan was presented to the CBOs and was accepted by them immediately. However, the KMC had some objections to the OPP-RTI plan and as a result, a review committee comprising representatives of KMC and OPP-RTI was constituted. This committee adopted the plan after eight months of discussion with some modifications. The work was contracted out in May 1998 at a cost of Rs 93.3 million. The then Minister of Local Government took a personal interest in this entire process. However, in July 1998, the Minister was removed and in August work was stopped for some unknown reason. In October it began again with a changed design in which the drain was left open, ordinary concrete walls were replaced by reinforced concrete, and the cost was increased to Rs 115 million. The KMC said that the design had been changed on the orders of the new minister for local government. However, no document ordering such a change could be located and over 400 running feet of the open reinforced concrete drain was built even though it was an environmental hazard (as all open sewage drains are), technically inappropriate and exorbitantly expensive for what it was. Community activists and the OPP-RTI held several meetings with KMC engineers in efforts to retain the original design. Since these meeting were not successful, the OPP-RTI, which was supposed to assist KMC in monitoring the construction of the drain, withdrew its support.

Residents then sent petitions to the Governor and held meeting with the Chief Secretary Local Government and KMC Administrator against the changed design. They requested implementation of the earlier approved design of the covered concrete drain. The OPP-RTI also participated in some of these meetings and helped in guiding the activists. As a result of these efforts, the Governor ordered the work to be stopped and constituted an inspection team to resolve the issue. In April 1999, the inspection team recommended that the OPP-RTI design should be adopted. Thus, after five years of constant lobbying, monitoring and fighting for an appropriate sewage disposal, and against a powerful lobby of land grabbers and contractors, the Manzoor Colony CBOs had their way and in the process a large area of Karachi.

(Source: OPP-RTI)

There have been 13 NGO/CBO attempts at replicating the sanitation programme outside of Karachi. Five of these have been failures; two have been remarkable successes; and four show signs of promise. In all cases except one, the NGOs and CBOs who have replicated the programme set up a small unit whose administrative and overhead costs were paid for by the OPP-RTI through its own resources or by arranging funds from WaterAid, a UK based NGO. These costs have varied from Rs 150,000 (US\$ 2,750) to Rs 450,000 (US\$ 8,350) per year. In most of these projects, disposal points for sewage were not available through natural drains as they were in Orangi. Therefore, "external" development meant the construction of long collector drains to existing government trunks or the natural drainage system. These had to be constructed before "internal" development could take place. For this, credit has been arranged for the NGOs and CBOs and they recover this when a lane connects to the collector drains. Thus, the credit has become a revolving fund. In other cases, the communities have negotiated with their government counterparts to develop the collector drains that they have identified and estimated. This identification and the estimate have been prepared by the technical unit of the NGO/CBO with OPP-RTI support. In one case, in northern Pakistan, the NGO has identified a location for a main drain to which the entire town could connect. It is being surveyed and costed along with a treatment plant design and estimate. The NGO is confident that it will manage to get this approved by the government in the coming annual development plan for their town.

Wherever local initiatives have been successful, they very quickly establish a dialogue with local government in charge of sewage systems and press for the acceptance of the "internal-external" concept. Local governments are under pressure to perform and as such they informally accept this concept and support the communities. However, the provincial planning agencies do not accept this concept and its implementation takes place in violation of their standards, procedures and plans. This violation is helped by the fact that the plans of

the planning agencies do not get implemented and with the expansion of settlements and the ad-hoc laying of infrastructure they very soon become redundant.

NGOs and CBOs who successfully replicate the OPP-RTI model are flooded with requests from other settlements to assist them in solving their sanitation problems in a similar manner. However, with one exception, that of the Anjuman Samaji Behbood (ASB) in Faisalabad, none of the NGOs or CBOs have the capacity or capability of supporting other initiatives and training people for them. The ASB has managed to develop water supply pipelines for 1,000 houses and sanitation lines in 162 lanes serving 1,625 houses ¹⁷. An additional secondary sewer is being laid to which 200 other lanes will be connected. For details of ASB's work see Box 15: The Work of the Anjuman Samaji Behbood, Faisalabad.

Box - 15: The Work of the Anjuman Samaji Behbood, Faisalabad

The Anjuman Samaji Behbood (ASB) was formed in the late 60's in Dhuddiwala, which was then a suburb of Faisalabad and is now a part of the city. Its president Nazir Ahmed Wattoo (NAW) lobbied with various politicians and government officials for acquiring water and sanitation for his settlement but without success. In 1987, he came in contact with the OPP and in 1994 he began a credit programme with OCT assistance of Rs 100,000 and training for his staff at the OPP-RTI. In three years, he had lent Rs 4.3 million to 277 units with nil default. In 1996, he began a water project and a sanitation programme in Dhuddiwala and the settlements around it. Hasanpura, a neighbourhood without water, was chosen as a pilot area. How NAW motivated the people of this area to invest in water and sanitation is worth recording. NAW with the help of the OPP team identified a WASA water main at a distance of 1,100 feet from Hasanpura, which could be tapped for getting water to the settlement. However, since WASA permission is required to tap any line, the ASB made a formal application to WASA for this purpose. WASA responded that it was not possible to treat Hasanpura as an individual case as it formed a part of a larger WASA water supply plan. WASA further stated that its plan would be implemented in 2008 and that too depended on the availability of funds. Another problem was that the pipe line would have to pass under a major road for 110 feet and for that special FMC permission would be required.

The ASB discussed this reply with the OPP and it was decided to calculate the total expenditure that Hasanpura residents had to incur due to the non-availability of potable water. According to the ASB analysis, Hasanpura residents acquired drinking water from outside their settlement through donkeycart vendors. Underground water from shallow bores was used for washing clothes and other purposes. The water was extracted from these bores by a large number of electricity oeprated pumps. According to ASB calculations, every house was purchasing 35 litres of water every day for Rs 5. Thus, the total expense for 1,000 houses was around Rs 5,000 per day, Rs 150,000 per month and Rs 1,800,000 per year. Since almost every house had an electric pump for extracting ground water, around 730,000 units of electricity were consumed annually. This amounted to Rs 1,460,000 per year. Additional community expenses incurred on washing of clothes, using saline water were also assessed. It was estimated that additional laundry soap consumed by 1,000 houses was 48,000 kg per year. The cost of this additional soap works out to Rs 960,000. The consumption of additional bath soap was around 96,000 pieces. Its cost was estimated at Rs 672,000. Use of saline water, dearth of clean water and bad sanitation conditions, were responsible for various diseases. It was estimated that residents spend about Rs 2,400,000 annually on medicines and doctors. Open drains were also causing water logging and damaging the housing stock due to rising damp. It was estimated that each house spent about Rs 2,000 per year dealing with this problem, and 1,000 houses spend Rs 2,000,000. Thus, owing to the above factors, the community was spending Rs 9,292,000 annually. If water came in 2008 to the ASB areas, then the community at this rate would spend Rs 100 million between now and 2008. A water and sanitation system could save them this expense. It was therefore decided to inform the community of these figures and present them with the OPP alternative. A presentation of these figures led to the communities involvement in financing and building a water and sanitation system.

¹⁷. ASB Progress Reports.

So far 40 lanes have invested Rs 1.3 million in developing a water distribution system. A Rs 200,000 revolving fund was given for the main line by WaterAid, a UK based NGO. Similarly, 1,972 houses in 190 lanes have invested Rs 5.6 million in their sewage systems. The households are also paying connection charges to WASA since they are tapping WASA water sources and disposing their sewage into the WASA network. An agreement between the ASB and WASA was arrived at through long negotiations and the ASB had to go to the Provincial Ombudsman to seek support which was given. However, WASA is now supportive of the programme and so are the area councillors. Meanwhile NAW has become a member of the District Development Committee Faisalabad and ASB's project area is rapidly becoming a demonstration and training centre for settlements in the Punjab who wish to build their own water and sewage facilities.

Even where the OPP replication projects have not been successful, the activists and communities which have promoted them have enhanced their powers of negotiation with government agencies, understood the OPP's methodology and modified and applied it to other poverty related issued in the project areas. For a list of OPP's replication projects outside of Orangi, their scale and people's investment in them, see <u>Appendix – 4: Sewage</u> Construction Outside Orangi – February 2000.

The reasons for the failure of NGOs and CBOs to replicate the OPP-RTI programme are similar. They are:

- i) *Failure to develop a technical cum motivation team:* The major reason for this failure is that the technical people do not come from within the community but are hired professionals from the market who leave whenever a better opportunity is available and a new appointee has to be trained all over again.
- ii) Acceptance of large sums of donor money for expansion: In all cases where this has happened, the NGO/CBO has not been able to deliver because it does not have the capacity or the capability to expand its work accordingly. Accepting large sums of money have also led to financial mismanagement and in one case to the cancellation of funding.
- iii) Subsidising lane development: OPP-RTI believes in component sharing. Where cost sharing takes place, there are invariably disputes, higher costs and less empowerment of communities. Greater resources, that are not normally available, are required and in their absence the programme fails.
- iv) Absence of patience: The OPP-RTI sanitation model requires patience and time. NGOs/CBOs who do not have this patience, discontinue the programme.
- v) Failure to keep in touch with the OPP-RTI and seek its advice.
- vi) *Failure to share accounts of the NGO/CBO with the community.* This makes the community feel that the NGO/CBO is making money from foreigners or government agencies.
- vii) Absence of cooperation by government agencies and officials. This has been due to a number of reasons. Either their officials and or engineers did not receive orientation and or training at the OPP-RTI or alternatively there were constant transfers of personnel in the relevant government departments. In certain cases there was political opposition to the OPP methodology as it was seem as a threat to contractors and engineering departments of local and provincial governments.

The reasons for successes are also similar.

- i) The development of a technical cum social organisation team with staff members from the community.
- ii) An activist or leader who can establish an informal working relationship with local government functionaries and politicians.
- iii) The availability of a map of the area or the expertise of preparing such a map.
- iv) Patience to wait and consolidate rather than expand the programme.
- v) Availability of funds for staff and administration and credit for developing long collector sewers where disposal points are not available.
- vi) Coordination with OPP-RTI for advice, training and documentation.
- vii) Regular weekly minuted meetings to review progress, take stock, assign responsibilities and identify weaknesses and the process of overcoming them.
- viii) Transparency in account keeping and the involvement of local people on the board of the NGO.
- ix) Cooperation from government officials and or politicians. Support to the OPP methodology has come from public spirited politicians and government officials. Many of these received orientation at the OPP-RTI or attended public administration courses where the OPP was discussed.

6.4.2 Through Government Agencies and Donor Programmes

a) Early Attempts and the Causes for Successes and Failures:

The first major collaboration of the OPP-RTI with a government agency was in 1991-94 for the design and implementation of ADB funded PAK-793 Project for a part of Orangi, which has been mentioned in section 6.2.1. The initial objectives of the ADB financed upgrading programme were changed to accommodate the OPP-RTI concept of development. The change meant that the KMC would provide collector sewers, which would be considered "external" development and the OPP would continue to mobilise people for financing and building their lane sewers, in the identified sub-project areas (SPAs). The objective, therefore, was to create a collaboration between government agencies, the OPP-RTI and the people of Orangi. As a result of this agreement, 120,983 running feet of trunk sewers were laid by the Project and 1,093 lanes containing 21,866 houses built their sewage systems at their own expense and connected to them.

The Project was successful for a number of reasons.

- i) The mayor of the KMC at that time was a friend of the OPP-RTI and took a personal interest in the initiation of the Project.
- ii) The Project Director had previously been the administrator in Orangi and in that capacity had dealt with the OPP-RTI and its sister organisations. He was fully

supportive of the concept and saw to it that the provisions of the agreement were followed by government engineers and contractors.

- iii) The OPP-RTI had close links, built over a decade, with the activists and the residents of the SPAs. Therefore, it was easy to mobilise them and advice them on technical matters related to the Project.
- iv) Since the Project was in Orangi, it was easy for the OPP-RTI to supervise it with the help of the communities.

Other attempts of working with government were not so successful. The UNICEF's Urban Basic Services Programme in Sukkur (an intermediate city 450 kilometres north of Karachi) and the World Bank-Swiss Development Cooperation (SDC) programme in Hyderabad also adopted the OPP-RTI's sanitation model between 1990-94. OPP-RTI was a party to a tripartite agreement between the donor agency, government departments and the OPP-RTI. Community project offices with local social organisers and technicians were set up to motivate and provide technical support to communities to build their "internal" development. These project offices were autonomous. The government department was supposed to design and implement the "external" development. The OPP-RTI was to advice, train and monitor both the community and government work. In both cases, the community was mobilised, collected money, and in the case of Sukkur, developed 14 lanes containing 155 houses. However, the government department in Sukkur developed only a part of the "external" but could not maintain its pumping station due to which the work was not able to proceed and the community lost interest. In the case of Hyderabad, after four years, the "external" could not be completed and as such the lanes had no disposal points for their sewage and the Project came to a standstill.

The reasons for the failure of the projects have been analysed in great detail and have been published in a number of OPP-RTI's reports and monographs. They are listed below.

- i) The local government departments who were to design and manage the projects were never consulted in the initial decision-making and as such they did not own the project methodology. The "external-internal" concept was simply forced on them.
- ii) Training of local government officials and engineers, community activists and policy decision-makers, did not take place collectively although attempts to do this were made at a later date.
- iii) In the case of Sukkur, a number of existing informal arrangements for infrastructure maintenance and operation were not taken into consideration during the design of the Project.
- iv) Before designing the institutional arrangements for the projects, internal politics, the organisational culture, technical capacity and capability and financial problems of the Sukkur and Hyderabad municipal councils were not undertaken. It was assumed that they would and could play the role that the projects had assigned to them. As such a number of incorrect administrative decisions were taken by the external partners.
- v) In the case of Hyderabad, the World Bank-SDC office that managed the project was located in Karachi and as such could not look after the project.
- vi) There were constant transfers of project staff and each new appointee had to undergo intensive training at the OPP-RTI all over again.

The Hyderabad and Sukkur communities have kept in touch with the OPP-RTI. In Sukkur, they have attempted to take over the pumping station and operate it. They have not succeeded. In Hyderabad, they have managed to get completed part of the "external" development. It is interesting to note that the Sukkur Project was one of the best practices identified for the 1996 Habitat Conference in Istanbul.

b) Through the Sindh Katchi Abadi Authority (SKAA)

The SKAA is a provincial government organisation established in 1986. Its function is to regularise and develop *katchi abadis* in the province of Sindh. A revolving fund of Rs 250 million was provided to SKAA through an ADB loan for this purpose. However, there was almost no progress in SKAA's work until 1991 when Tasnim Ahmad Siddiqui, a bureaucrat who had worked voluntarily with the OPP for many years, became its director general. Siddiqui decided to adopt the OPP-RTI model, appoint the OPP-RTI as consultant to SKAA for the implementation of the model, bring about institutional arrangements in SKAA that would make its organisation and culture compatible with the model, and remove the administrative constraints communities and individual households face in acquiring a lease.

The OPP-RTI has trained SKAA's staff in its manner of working. It has documented, with the involvement of SKAA's staff, all existing sanitation and water supply in 58 SKAA settlements and identified "external" sanitation and water supply schemes that are required in 32 settlements. The communities undertake "internal" development and the acquisition of a lease has been made a one window affair which is carried out by setting up of a lease camp within the settlement. The lease money is spent on "external" development which the communities supervise. All accounts are available to the community and as such they know exactly where and how their lease money is being spent.

As a result of SKAA's programme, SKAA has become financially solvent. It requires no funds from external sources for its functioning or for development work. Between 1995 and June 2000, SKAA has recovered Rs 187.249 million (US\$ 3.35 million) from lease money. In the same period, it has spent only Rs 153.269 million (US\$ 2.79 million) from the collected lease money and only Rs 10.816 million (US\$ 0.19 million) from ADB sources. SKAA's programme shows that there is no need for dependence on foreign loans for the KAIRP¹⁸.

SKAA has also initiated departmental work as opposed to contracting out work to contractors for the implementation of its development projects. This benefits community members who work for the project financially, improves quality of work, substantially lowers costs and reduces implementation time. For details see <u>Box 16: SKAA's Introduction of Departmental as Opposed to Contractual Work.</u>

Box - 16: SKAA's Introduction of Departmental as Opposed to Contractual Work

SKAA, like other government departments used to contract out its projects for implementation. Estimates were prepared on the basis of market prices contained in an official schedule of rates and a sum of 30 per cent was added to the estimate. The technical committee of SKAA approved the estimates but did not require plans showing the exact magnitude of work.

The call for bids was given in the newspapers. Registered contractors of SKAA bided for the project and after 15 days of the closing of the tender, the contract was awarded to the lowest bidder (security money was to be given by all contractors). The contractor was given start and finish dates within which work was to be completed. In case work was not completed within the stipulated time, a penalty was charged.

¹⁸. SKAA's Progress Reports.

The problem with contractual work being done for SKAA projects, as for other GOP departments was that, first of all, no market research was done by the SKAA staff to decide on appropriate materials and specifications. Secondly, the cost was increased in the estimates by showing higher quality and more work than was actually required. The work to be done was not related to that which had already been done in the settlement, leaving a large margin for contractors to cheat.

Third, the whole procedure of bidding was long and expensive as too much paperwork and money was involved in it. Although penalties for delays and substandard work were always specified in the contracts, they were never actually recovered and the contractor could drag work on endlessly. In addition, he could constantly justify delays by saying that his bills were never paid on time.

The process of lump sum contracting also led to problems as substandard material was usually purchased by the contractor while quoting higher rates for better material. This defect was never checked due to a lack of supervision. In addition, engineers made incorrect bills in collaboration with the contractors.

Another problem was that extra items were added on to the contract after work was started which should have been included in the estimates in the first place. This was done to lower the bid initially.

Due to these problems, the OPP advised SKAA to adopt the procedure of carrying out its projects through departmental work. The OPP had already carried out an experiment with regard to departmental work in KMC circle 125 in Orangi and had found it to be successful.

In departmental work the department's engineers are responsible for designing, cost estimating and executing the work. The labour is hired by the engineer and material is bought by SKAA directly from the factory. The design is explained to the community, and the quality is constantly checked by them while consultants provide supervision. The work is normally completed in time as the responsibility for its timely completion lies directly with SKAA engineers. Time and money is also saved since there is no bidding process and advertisements in newspapers.

The initial problem in adopting this process was the outdated schedule of rates that SKAA uses for making estimates. To take care of this problem, OPP made a new schedule of rates for SKAA. After designing and estimation by SKAA engineers, the approval now has to be given by the technical and accounts committees for the project. The technical committee consists of SKAA technical staff and OPP representative, while the accounts committee consists of the deputy DG SKAA and SKAA finance officers. Some money is then given to the engineer for labour charges and emergency requirements. The fewer number of stages and fewer intermediaries result in greater accountability and less wastage of time.

c) New Directions:

Lodhran is a small town (population 40,000) in the Punjab Province. Lodhran Pilot Project (LPP), an NGO, has been established here in April 1999. The purpose of the NGO is to replicate the OPP-RTI and OCT model. The OPP-RTI has attached its senior most social organiser to the Project. An agreement between the LPP and the municipal committee has taken place. Under this agreement, the municipal committee will develop "external" sanitation and the community will develop the "internals". Already 28 lanes have laid their sewage lines or are in the processes of doing so. An office of the LPP has been established and the municipal engineer sits in it and gives technical and managerial advice to communities that the Project motivates. The immediate requirements for "external" infrastructure have been identified and work on them is in progress. A master plan has been prepared and costed. The "externals" of the plan will be implemented through the Annual Development Plan funds of the municipal committee. No special funds are required. As a result of the work in Lodhran, neighbouring villages have also been motivated and in one of them work has begun and in another money is being collected. The LPP team has been

trained at the OPP-RTI and OPP-RTI professional staff have visited Lodhran several times. A project is also being established in Uch, a small town not far from Lodhran. In Uch, an NGO, Conservation and Rehabilitation Centre (CRC), has been working on restoring historic buildings. The CRC has motivated and organised community activists, trained them at the OPP, prepared a master plan for the city and is now negotiating an agreement with local government on the lines of the LPP for the development of infrastructure.

Another important development has taken place in Swat in the North West of Pakistan. Community Infrastructure Project (CIP) is a World Bank funded development. In CIP communities share the cost of development with government agencies. The Environmental Protection Society (EPS), a local NGO that has been trained at the OPP-RTI, has managed to have the project rules changed in its area whereby cost sharing has been replaced by component sharing. This has completely changed the nature of the Project.

6.5 New Issues for the OPP-RTI

With the expansion of the work of the OPP-RTI and the increasing number of communities and city governments (not provincial planning agencies) from all over Pakistan who wish to replicate the work of the OPP institutions, a number of new issues have surfaced. These are listed below.

The scale of work has become too large for the OPP-RTI to handle alone: OPP-RTI's work is no longer with communities only. It is also advocacy and getting support of communities from all over Karachi for its alternatives. In addition, a large number of students from universities and professional colleges visit the project for orientation and research. To overcome this pressure, the OPP-RTI has established close links with other NGOs and CBOs who now share this work with it. For example, the Urban Resource Centre (URC), a Karachi NGO, arranges and coordinates sewage and water supply related meetings of NGOs and CBOs and also arranges for press publications and journalists' visits to OPP-RTI projects. Similarly, another NGO, Idara-e-Amn-o-Insaf, which has close links at the grass roots, is being inducted to organise communities for OPP-RTI supported development. Another NGO, CREED, is looking at international involvement in funding development projects and reform processes. The collaboration between these NGOs has been successful and jointly they may help in bringing about appropriate policy changes. Through their efforts an ADB funded US\$ 100 million sewage project (Korangi Waste Water Management Project) has been modified and the ADB loan cancelled.

Policy issues: NGOs and CBOs replicating the OPP model very soon come in conflict with rules and regulations of government agencies or with the methodology of internationally funded projects. The "external-internal" concept is accepted only informally by the government. Many of these NGOs and CBOs lack confidence in stating their position to local government. To overcome this, the OPP-RTI is proposing the holding of an annual congress of all its partners and making it a high profile affair which will present policy alternatives to the government. A separate organisation from the OPP-RTI will be responsible for holding this congress, documenting and publishing its proceedings, and promoting its recommendations.

I) *Community leaders:* The OPP-RTI has noted that to deal with larger city projects, community activists need to understand the city and its planning and policy issues, so as to affect change at the larger level. To address this need the OPP-RTI has begun a lecture series, described in section 6.6.1, so as to give the community a broader vision of development.

- ii) Donor funding: It has also been noted by the OPP-RTI that organisations and individuals who come for training to the OPP-RTI use this association for acquiring funding from foreign donors but do not implement the OPP-RTI model or follow its methodology. The OPP-RTI feels used and it is considering steps, including a change in its training procedures, to stop this from happening.
- iii) *Professional staff:* OPP-RTI has no problem training and recruiting paraprofessionals, technicians and social organisers from within the community. However, professional staff is difficult to recruit. The reason is that there is a big gap between conventional professional training and the manner in which the OPP-RTI functions. It takes a long time for a trained professional to unlearn what he has learnt and very few have the patience to go through with it. Increasingly, universities and professional colleges are associating the work of their students with the Orangi programmes. Hopefully, this association will lead to overcoming this issue.

6.6 Conclusions

The OPP models have developed programmes that can lead to poverty eradication. What a special about these models is their low cost, both in terms of overheads and development costs. For details see Box - 17: Budgets of OPP Institutions. Due to these models, Orangi's social indicators are far better than other *katchi abadis* of the same age. How the models have alleviated poverty in Orangi is listed below.

- i) By organising and carrying out development with their own resources, communities have taken over certain functions of the local government. This has established a more equitable relationship between them and government agencies which has helped them in increasingly becoming the decision makers regarding social and physical development in their areas.
- ii) Sanitation programme has considerably lowered health related costs and reduced infant mortality and child mobility. Doctors complain that their businesses have gone down. In addition, the programme has developed skills which are being used for income generation purposes.
- iii) The education programme has made it possible for a large number of students to acquire education and has as such paved the way for future professional, technical and or university education.
- iv) The micro credit programme has helped expand businesses, increase income and create jobs. It is also leading to the creation of business skills and changes in the procedures and lending policies of banking institutions.
- v) At the macro level the OPP models have had an impact on policy makers and changes that will benefit poor communities are in the offing in government policies. Also, organised Orangi communities have been able to participate at the city level with other NGOs and CBOs to bring about pro-poor changes and transparency in government programmes and projects for the city.
- vi) The major change however, is physiological and cultural. A feeling of alienation from the rest of the city has been considerably reduced and the cultural values of poverty have not only been questioned but in many cases have been set aside.

Box start

Box – 17: Budgets of OPP Institutions

- 1. OPP-RTI:
 - 1990-2000 average annual budget Rs 3,396,894 (US\$ 60,658) (for capital costs, research, documentation, training, administrative costs for sanitation, housing, education and extension of OPP-RTI programmes)
 - For every Re 1 that the OPP has invested in overheads for research, documentation, extension and administration costs for the sanitation programme, the Orangi communities have invested Rs 16.
- 2. OCT (total 1987 2000):

- - -	Total loans disbursed : Total overheads : Mark up recovered :	Rs 143,408,610 (US\$ 2,560,868) Rs 11,734,829 (US\$ 209,550) 8.18% of loan Rs 27,527,263 (US\$ 491,558) 234.56% of overheads				
KHA	ASDA (1990 – 2000):					
-	Average budget per year:	Rs 526,785 (US\$ 9,406)				

Box End

3.

7. THE GOVERNMENT'S DEVOLUTION PROPOSAL

7.1 General

The proposed local government devolution plan is to be implemented in Pakistan within the coming year. It integrates the rural and urban local governments on the one hand and the bureaucracy and the local governments on the other into one coherent structure in which the *zila* (district) administration and police are answerable to the indirectly elected chief executive of the district.

The administrative set up will be rationalised by defining lines of responsibility clearly and attempting to provide protection against political interference and transfers on non-professional grounds. To ensure coherent development and adequate provision of services, the administration and the police will work under the elected head of the district.

Bigger cities like Karachi, Lahore, Peshawar, Quetta would be run as city districts. Each city *zila* would be divided into a number of towns and each rural *zila* into *tehsils*. The *tehsils* and towns will be further divided into unions. (Smaller towns will have a town council, equivalent to that of a *tehsil*.) Every local government will be a corporate body known as the case may be, by the name of the *zila*, city *zila*, *tehsil*, town or union by such name and number as the district government may assign. It will have a common seal, and will have perpetual succession, with power to acquire and hold property, both moveable and immovable, and transfer any property held by it and to do all things necessary for its constitution. The corporate body may sue and be sued in its corporate name.

The structure of local government and its various components and their relationship with each other is clearly given in <u>Charts 3, 4, 5 and 6</u> and as such requires very little description and details.

7.2 Structure

District governments would remain within the provincial framework and their relationship with the federal government would be through the provincial governments. Local governments will be formed at three levels, *zila* (district), *tehsil* and union. Each will comprise of its *Nazim* (mayor) and *Naib Nazim* (deputy mayor), its directly and or indirectly elected body of councillors and its administrative structure. The district administration and the district police will be under the *Nazim* of the *zila*.

The union will be the lowest tier of government and its councillors will be elected directly through adult franchise. They will elect their *Nazim* and *Naib Nazim* who will be elected as a team and will not be from amongst them. The *Nazims* of the union councils will form the *zila* council and the *tehsil* council will consist of the *Naib Nazims* of the union councils. The *Nazim* and *Naib Nazims* of the *zila* and *tehsil* councils will be elected on joint tickets and as in the case of the union councils, they cannot be from the elected union councillors.

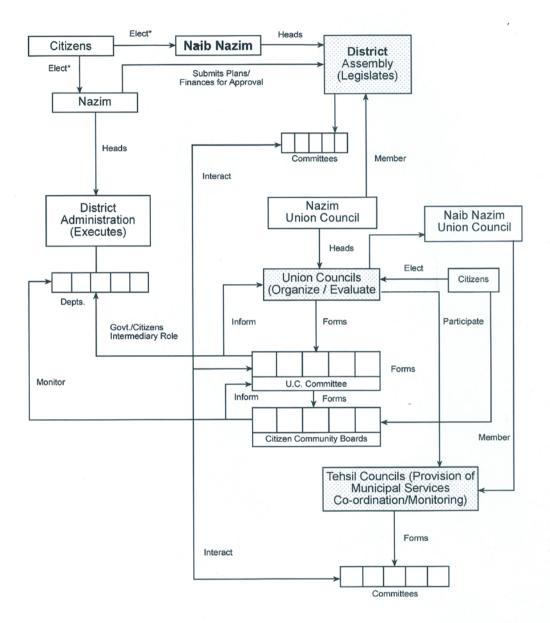
Members of union council will be elected directly. The union council would consist of 21 members. There would be 12 general seats in a union council house (8 for men and 4 for women), 6 for workers and peasants (4 men and 2 women) and 2 for minorities. Members of the union council that represent a given village would constitute the 'village council'.

The number of general seats in the *zila* and *tehsil* council will be the same as the number of unions in that *tehsil*. The *zila, tehsil* and union councils will all have 33 per cent seats reserved for women, 5 per cent for workers and peasants and 5 per cent for minorities.

The *tehsil nazim* will within three months of assumption of office, constitute a village council in every village by secret ballot; and a town *nazim* in a city district will constitute a ward council in every ward within the same period and in the same manner. The candidate who has secured the highest number of votes in the election will be the chairman of the ward council or as the case may be, the village council. The term of office of the village and ward council will be the same as the term of office of the union council concerned.

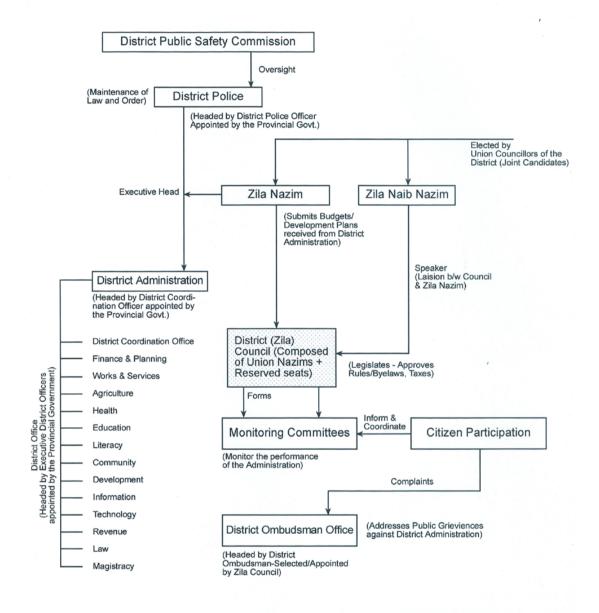
Voting age for all local body elections would be lowered from 21 to 18 so as to increase the number of voters and also to bring the new generation into the mainstream of local politics. The minimum age for being a councillor is 25 and the minimum educational qualifications for contesting the elections is matriculation.

CHART-3 PROPOSED LOCAL GOVERNMENT STRUCTURE

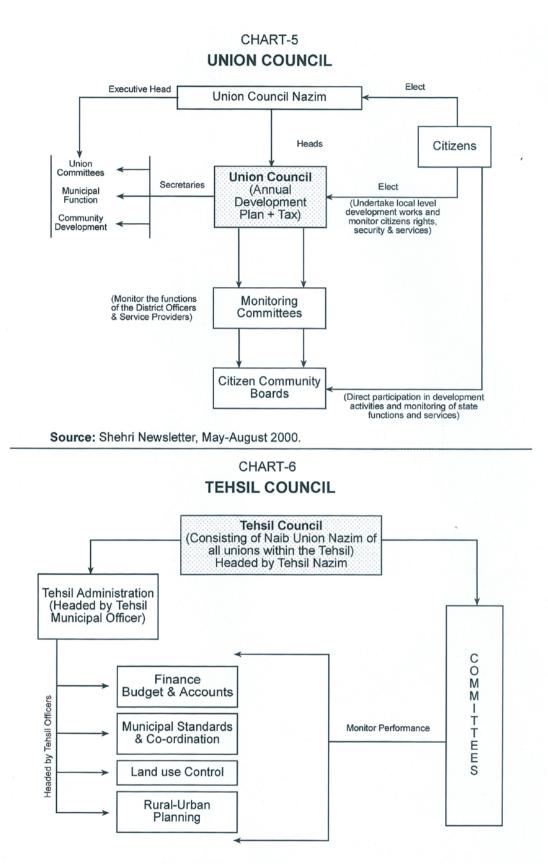


* Through the directly elected union councillors **Source:** Shehri Newsletter, May-Aug 2000.

CHART-4 DISTRICT (ZILA) COUNCIL



Source: Shehri Newsletter, May-August 2000.



Source: Shehri Newsletter, May-August 2000.

7.3 Administration and Planning

The *Zila Nazim* would be personally responsible for the district administration. He would have under him a senior District Coordination Officer (DCO) who would be a civil servant and who would coordinate the functioning of all heads of government departments in the district ¹⁹. These heads will be called District Officers (DO). All the DOs would maintain links with their representative departments/ministries at the provincial level. Appointment of the DCO as well as DO would be recommended by the *Zila Nazim* along with that of the district ombudsman, and ratified by the *zila* council by a simple majority. Removal of the DCO or any DO would require to be ratified by two third majority of the *zila* council.

The *Zila Nazim* would head the district administration. He would formulate policies and plans for the development of his district with the help of the DCO and the district administration. The *Naib Zila Nazim* would be the speaker of the *zila* council and would deputise for the *Zila Nazim* in his absence.

Every union may have upto three secretaries, one for Union Committees, one for Municipal Functions and one for Community Development. The population of unions in the urban areas will be the same as those in the rural areas.

7.4 Finance

Finances will be distributed to local governments through formula based provincial fiscal transfers and decentralisation of specified taxation powers, in order to empower the local governments with enough financial autonomy. The setting up of provincial finance commissions on the lines of National Finance Commission (NFC) is proposed. These commissions will allocate funds to the district in a transparent and accurate way. The *zila* councils will also have legislative authority to mobilise additional revenue. Being financially self-sufficient the *zila* councils would be able to work out their development plans and approve the budget for the same.

7.5 Monitoring

Monitoring committees would be formed from amongst the union council members which would create 'Citizen Community Boards' in villages, towns and cities for monitoring the functioning of all lower level departments or amenities like hospitals, basic health units, schools, colleges, police stations, irrigation etc. These citizen community boards would consist of persons nominated from among the community for this purpose.

7.6 Evaluation of the Devolution Plan with Special Reference to Orangi

7.6.1 General

Under the proposed Devolution Plan, Karachi will be a district and it will be divided into ten towns. Orangi will probably be one of the towns and it will be divided into unions, with elected union councillors. It is more than likely that the people who will stand for election will come from the major political parties and will have the support of their musclemen. Public spirited and or "honest" candidates will be threatened and forced to step down. These elected councillors will elect the *Nazim* and the *Naib Nazim* of the district. Given the powerful

¹⁹. There will be Dos for (i) District Coordination, Human Resource Management and Civil Defence; (ii) Finance and Planning; (iii) Works and Services; (iv) Agriculture; (v) health; (vi) Education (apart from universities); (vii) Literacy; (viii) Community Development; (ix) Information Technology; (x) Revenue; (xi) Law; and (xii) Magistracy.

nexus between musclemen of political parties, contractors and the establishment, people put up by the nexus will be elected. However, over time this is bound to change as people become more at home with the new system.

There are two issues that the Devolution Plan will have to address in the long run if poverty is to be eradicated. One issue is related to the macro level problems that poor communities face and the other problems at the neighbourhood and ward level. The two are discussed below.

7.6.2 Problems at the Macro Level

The Devolution Plan has not spelt out the relationship that will develop between the existing development and service providing agencies and the district government. From the looks of it, these agencies will continue to exist but with a greater involvement of the district government, and that too through the *Nazim*. The safety valve that is today provided by an honest and efficient bureaucrat will be transferred to a person elected by persons of dubious character and reputation. Given the nature of existing planning, implementation and administrative agencies, conditions at the macro level are unlikely to improve soon especially since the Devolution Plan has not proposed the creation of monitoring the process, modifying the plan though feedback and the establishment of appropriate training institutions.

7.6.3 Micro Level Issues

The unions and the councillors, to function properly, need trained technical and administrative manpower along with a vision and clear objectives. They have to acquire this over a period of time. How this will be done, given the nature of people who will be elected is difficult to understand. This is an aspect that needs immediate attention if the Plan is to be successful in the short run. The monitoring committees established by the *zila* council will reflect the nature of the *zila* council members. They will not be very different from the committees that the present elected local bodies in Pakistan throw up. However, the ward committees and community boards will certainly be different. They will consist of people who have had an association with the OPP, are running CBOs in their neighbourhood or are anxious to bring about improvement in their social and physical environment. The reason why they will succeed is because of the smaller unit from which they will be nominated or elected. Over time, they will be able to bring about a change in the nature of people who get elected at the union level and hence in the nature of the *Nazims* and *Naib Nazims* of the town and the district.

According to the Devolution Plan, one must be a matriculate to contest as a councillor. This is unfortunate because in Orangi most of the people involved in development and community work have perhaps never been to high school. Local government will be denied their expertise and devotion.

8. LESSONS LEARNT FROM THE OPP MODELS AND THE QUESTIONS THEY RAISE FOR THE DEVOLUTION PLAN AND POVERTY ERADICATION

A large number of lessons can be drawn from the work of the OPP institutions. A few are of some relevance to the issue of governance, poverty eradication and decentralisation, both at the Orangi level and in Karachi as a whole. These are stated below.

i) Orangi communities are already trying to solve their problems and if they are supported by technical advice and managerial guidance, their solutions will improve. However, before one can support community effort one has to understand the work of the community, the actors and factors involved in its development related work, their relationship with each other, and their social, economic and technical strengths and weaknesses. The most important tool in understanding the community is a map of their neighbourhood and the documentation of its physical condition. *The OPP plays this role in Orangi. How can local government play it?*

Local government can play this role by using the OPP-RTI as a research and extension agency for its work. This means that the councillors, ward committees and citizen's community boards receive training at the OPP-RTI. Also, that the OPP-RTI relate its research and programmes to the work of the town and union councils.

ii) Professional advice is necessary both for physical and social sector development. Such advice is not easily available as most professional education is conventional and based on First World models. In Orangi, this advice has been acquired either from graduates of professional colleges who have associated their work with that of the OPP institutions or through prolonged training at the OPP-RTI. *How can local government acquire appropriate trained professionals and administrators?*

This can only happen over a period of time. Relevant government agencies will have to bring about changes in the curriculum of the civil service and professional institutions and relate them to the work of the OPP institutions.

iii) Success of the models of the OPP institutions are the result of identifying and supporting activists financially and training them appropriately in the field and at the OPP-RTI. *How can local government institutions perform this function*?

If the OPP-RTI is accepted as the research, training and extension arm of the local government in Orangi, it will identify the activists, train them and support them financially. The local government institutions will have to develop mechanisms for working with the CBOs they create.

iv) Another reason for the success of the replication of the OPP models is support from individual government officials. This support has never been formalised except in the case of SKAA. *How can this support be institutionalised?*

This support can be institutionalised only by changing the planning and implementation mechanisms of programmes and projects and by accepting the OPP's "internal-external" model and the concept of building on what people are doing. Training for this can be provided by the OPP as mentioned above.

v) Much of success of the OPP models is related to the small size of the organisations that the OPP has supported. In engineering and extension terms this small size does not make sense to conventionally trained planners and social scientists who talk about "the economy of scale". *How can a change be brought about to encourage the development of engineering design and implementation procedures by decentralising and miniaturising technology and its implementation procedures so as to make them compatible with social and economic reality?*

This can be done through two closely inter-related ways. One, by developing new standards and procedures along with rules and regulations whereby sociological and economic

considerations determine technical and engineering solutions. And two, by training administrators and technical staff at the OPP-RTI to make use of these new systems.

vi) The OPP model clearly shows that communities who have generated their own funds and managed development themselves, establish a more equitable relationship with local government institutions and take over some of their functions. This in turn leads to their control over the decisions made by their councillors and administrators. *How can the concept of component sharing between communities and government be promoted in the face of gifts and doles handed out to communities by government projects which are usually funded through loans from international agencies?*

The government has to decide that it will not undertake the development or funding for what OPP calls "internal" development. It should develop a mobile unit that provides organised groups technical and managerial support for building the "internals". This support can again, be trained at the OPP-RTI. The government should also revise its tendering procedures and planning parameters to make this concept possible.

vii) An important part of poverty alleviation is the development of pro-poor planning at the city level and its advocacy. The URC has played this role in Karachi and in the process has promoted the OPP models. *How can this concept be made an effective part of larger city level planning, thus benefiting the people of Orangi?*

As has been mentioned earlier, government planning at the macro level is unlikely to improve in the near future as a result of the Devolution Plan. However, certain steps can be taken which will strengthen the involvement of Orangi communities in dealing with macro level issues that affect their lives. These steps are: i) all government agencies must publish a list of their land and other real estate assets every year along with their current and proposed landuse, their value and the name of their owners. This will discourage evictions. ii) Every Karachi project (for the city, town or sector should be advertised at the conceptual stage and presented to interest groups along with all accounts. A steering committee of interest groups should steer the project during its detailing and implementation. Accounts and status of the project should be made public every quarter. And, iii) an officer should be made in-charge of the project from its inception to its end. These steps will create a process of transparency and accountability.

viii) One of the major reasons for disasters in government planning is that ideal plans are made and finances are then sought for them. Often these finances do not materialise. Things would be very different if planning is done on the basis of a realistic assessment of funds that are available, and if an optimum relationship can be arrived at between resources (financial, technical and others), standards and demands, and if planning can recognise and accommodate the fact that all three are dynamic and can change over time. *Can this concept be promoted in a culture of graft and kickbacks?*

In Orangi, this culture has been curtailed, as the examples given in other sections have shown, by people organising themselves and putting pressure on government officials. In many cases, the government officials have responded favourably. However, the government pay scales have no relationship with the high cost of living in Pakistan. Orangi officials have constantly pointed out this problem and it desperately needs to be resolved.

ix) Where CBOs and government agencies have collaborated in Orangi, conditions have invariably improved. However, different CBOs have collaborated in different ways and sometimes in conflict in each other. This has resulted in an absence of uniform

government policies in Orangi and has fragmented both social and physical planning. *How can this issue be resolved?*

It is necessary to develop a common understanding between CBOs in Orangi. This understanding can only be created through networking of CBOs in which the government agencies also participate.

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Local Government and the Bureaucracy in Pakistan

Local government in Pakistan is a creature of a provincial statute and as such its very life and existence are at the will and mercy of the provincial government. Relationship of local councils with the provincial government is vertical in character. It has no constitutional guarantee other than a very platitudinous provision (Article 32) of principles of policy which reads as follows. *"The state shall encourage local government institutions compared of elected representatives of the areas concerned and in such institutions representatives will be given to peasants, workers and women."*

Local government is weak financially with a narrow and inelastic tax base and few sources of revenue which are under its exclusive jurisdiction. Being the subordinate authority which derives its very existence through an act of legislature (provincial law) it can be created, modified, suspended or abolished at the will of the provincial government. As a result of this local government has newer enjoyed a continuity in its life.

The rational allocation of functions between the local and provincial government is missing. In many arrangements local government has to share both responsibility as well as resources with the provincial government. The later is after keen to pose on the responsibilities without at the same time transferring adequate resources to the local government to discharge the responsibilities. The result is failure on their part to came up to the expectations of the people which then becomes an excuse for intervention by the provincial government, suspending local authorities and shifting sole administrators in their place.

The provincial government is reluctant not only to transfer financial resources (taxes) to local government but they also fail to give administrative and legal support to local authorities. In a society, where people are not used to 'soft administration' and where the write off an authority is accepted only to the extent it is backed by coercive power, it is really idle to expect that local government will enforce its bye-laws, collect its taxes and provide regulatory services effectively and efficiently. The results are obvious. Few persons observe local authority's bye-laws or care to pay the taxes. Worse still the employees themselves lose their interest and instead try to make the best of the bad job by extracting something for themselves through collusive practices. The provincial government being in charge of the two most important enforcement agencies – the Revenue and General Administration and the Police, the police has made not only the local government powerless against law breakers but has weakened even the federal government agencies in the field. A typical example of this is the illegal occupation of the public space all over the city under their protection and cover.

The local government representatives are not happy on the exercise of considerable amount of authority and control over them; in the past when no elections were held at local government level from 1970 to 1979 and then from 1992 till date and the administration was carried out through the appointees of the provincial government, unfortunately the record of that period is not as clear as one would have wished and many instances of mismanagement have been witnessed.

Coming to the most important issue, local government's complain is the unfair and unjust formula for revenue sharing. Very recently one of the major source of income i.e. octroi has been taken away from the local government. The local government representatives have always been fighting to acquire authority to collect property tax; betterment tax; capital gain tax; motor vehicle tax; and professional tax.

Land constitutes as the main source of capital finance for the KMC. Since the independence provincial governments have been reserving lands from KMC on various grounds some of which are not, strictly speaking for public purposes; because the land that have been owned by KMC had been transferred to it before partition by the then commissioner of Sindh, on the condition that if any land was required for public purpose, it would be reserved by government without any compensation. To deal with this matter a report was written at length but unfortunately the recommendations made therein have not been implemented so far and KMC has been deprived of assets of immense value.

KMC has a long standing grievances that it was not receiving adequate expenditure for the schools from the provincial government on one pretext or another. In other provinces of Pakistan, primary education is entirely taken care of by provincial government. Provincial government of Sindh in the past has persistently failed to maintain existing schools and open new schools in the city. Primary education is a service which should be provided locally but it is being done by provincial government creating serious problems of supervision leading to large scale absentenism and the existence of ghost schools.

The powers of the provincial governments over the local councils are pervasive including the following:

- Approval of all taxes, tolls and fees. The provincial government may increase, reduce, suspend or abolish any source.
- Appointment of officers to the senior position through the local councils service a provincial cadre.
- Institution of a local government. Board at the provincial headquarters to act as a planning commission, public service commission and establishment division for local councils.
- Conditions of service, scales of pay, qualifications, schedule of establishment for employees of the councils.
- Periodic inspection to ensure compliance with local government ordinance.
- Audit of accounts.
- Suspension of councils
- Dissolution of councils

The powers to issue technical sanction are limited to Rs one million for executive engineer B&R. This is evidently inadequate, involving references to the administrator (who generally have full powers and is a appointee of provincial government) causing procedural delays. The basic control of finance is through disbursement and not through budget.

"Given the structure of the different tiers of government in Pakistan, perhaps local government is the least responsible for the failure of governance and of government. The control that provincial government exercises in the affairs of local government is one of the major reasons why the later functions poorly. This control ranging from appointments and transfers of even unskilled basic staff to move critical issues like the inability to agree to new and revised taxation rates and schedules proposed by local government's translate into incessant interference in a large number of cases."

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Appendix - 2

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Appendix - 3

The Development of Human Resources at the OPP

It was not difficult to recruit staff for working with the OPP in the initial stages. However, it was difficult to train the staff in understanding the OPP philosophy and in following its methodology. This became even more difficult once OPP's work expanded beyond Orangi. Yet the OPP was able to develop the necessary human resources required for the development and expansion of its work. What these human resources are and how they were developed is perhaps the most important achievement and asset of the OPP.

Broadly speaking, the OPP staff consists of professionals, social organisers and technicians. The professional's work consists of research into the problems of Orangi residents; identification of their own solutions to these problems; and again through technical research, the development of a better package of advice. The professionals also prepare extension literature and supervise physical work. All professional research has to be compatible with the sociology and economics of low income residents. The results have to be 'doable' by them and they have to be maintained and looked after by them.

The social organisers are recruited from the community. Their work consists of contacting people, helping to organise them, extending the various packages of advice and monitoring them and identifying issues and problems in the community that are relevant to the development work to be carried out or that which may need to be carried out in the future. The social organisers are the link between the people and the professionals and their involvement in, and feedback to, the professional's work keeps it rooted to the field reality.

The technicians are also recruited locally. They work with the social organisers, supervising physical work and helping to extend the package developed by the professionals. To do this they and the social organisers have to work as a team. The technician has to also work with the professional so that he can understand the package of advice and report back to the professional on the technical problems with the package.

In the initial stages, the OPP tried to recruit experienced professionals. However, it soon discovered that such professionals found it very difficult to relate to the OPP's philosophy and methodology. They were too deeply rooted in the conventional manner of doing things. Subsequently, the OPP had to rely on a consultant and young graduates who were able to grow with the OPP. It was possible for these graduates to unlearn some of what they had been taught at their universities and to learn from the people, social organisers and technicians and to teach them as well.

The social organisers have played a very important role in the development of the OPP. In the initial stages of the OPP, when Akhtar Hameed Khan was establishing his contacts with the leaders, organisations and people of Orangi, he recruited persons whom he felt were suitable for the job. The choice was made intuitively but this institution had a long experience behind it. It so happens that all the social organisers have a number of things in common. They are all political persons in some way or the other. They have all been active in the neighbourhood organisations. The Orangi political leadership has depended on them for support. They all have an element of radicalism and understood much faster than their neighbours what Akhtar Hameed Khan was trying to say. They had all been involved in some way or the other in the development of Orangi Township. With their political background it was easy for them to communicate with the people, organise meetings and help settle sociological and organisational problems that keep cropping up in community related work.

The technicians consist of plumbers, draughtsmen and surveyors. The plumbers and surveyors are residents of Orangi and were working in these fields before they joined the OPP.

The professionals, social organisers and technicians all come from different backgrounds. When they started working together they all had different views of development that were shaped either by their education or their life experience. For them to work together it was essential that they develop a common viewpoint regarding the work they were being asked to support. It is here that Akhtar Hameed Khan played his role as a teacher. From the beginning of the project till 1988, weekly meetings of the entire OPP staff were held. The week's work was discussed at these meetings along with its sociological, technical and economic aspects. Every member presented his report. Jobs, which included the writing of experiences, were assigned at these meetings and work assigned at the previous meeting was reviewed and evaluated. This exchange in itself was an enormous learning experience for everyone. It was further enhanced by Akhtar Hameed Khan's analysis, advice and the manner in which he related the micro-level issues presented by the staff to larger national and international realities. The director's report to his staff, with which the meeting began, discussed threadbare the negotiations he may have had with international agencies, government officials and institutions, or with national and local politicians. Accounts were also discussed and nothing was kept secret from the staff. In addition, every member of the staff was encouraged to write and his writings were published in the magazine of the OPP.

Through these meetings a vision of development was passed onto the staff. They came to understand the close link between social, economic and technical issues; their skills were upgraded; and most important of all, a strong bond developed between them. This bond was not only based on a common development vision but also embodied in it the values of diligence, frugality, modesty and account keeping and transparency.

After the upgrading of OPP into four different institutions in 1988, each institution has separately continued this tradition of weekly meetings in which the same process is followed. Every institution now brings out its own newsletter and progress reports.

Due to the process described above, professionals, social organisers and technicians have no difficulty in relating to each other. As a matter of fact, the social organisers have acquired the skills of the technicians and most technicians have become excellent social organisers. Some of the social organisers and technicians can partly fulfil the role of the professionals, and almost all the professionals can partly fulfil the role of the social organisers. In addition, technicians and social organisers have also upgraded their skills. Some of them, with OPP support, have taken courses in surveying and mapping and others have acquired skills in computer sciences. Thus, with its limited manpower, the outreach potential of the OPP has been considerably enhanced.

However, OPP's human resource development has not only been limited to the Orangi staff. Over 5,000 lanes have financed and managed the construction of their sewage lines through OPP advice. Each lane elected, selected or nominated its lane manager. These lane managers and their assistants collected and managed the money of the people and also organised the construction of the sewage system with active participation of the lane residents. Many of the lane managers subsequently became involved in the other programmes of the OPP and have developed as effective extension agents. They are now the promoters of the OPP concept of development through community participation and self-help.

This development of human resources is impressive. But the OPP still finds it difficult to deal with the increasing number of requests for assistance for the replication of its programmes that it is receiving from numerous CBOs, NGOs and from the Sindh Katchi Abadi Authority (SKAA). To overcome this problem, the OPP has started training young people and students from the settlements where it is working, as technicians. These young people are trained to survey and map the settlements; develop physical designs; and as inoculators for the immunisation programme. They receive training through an apprenticeship with the OPP-RTI for a period of time. Funds for this training are provided by a number of international NGOs. The surveyors and designers being trained will, it is hoped, set up their own offices and become self-sufficient by charging fees from their clients or from the local organisations that will seek their support. Similarly, the inoculators will also become associated with the private clinics that exist in large numbers in all low income settlements in Pakistan and who experience a major difficulty in getting trained staff.

As a result of this human resource development, the OPP-RTI can carry out its training activities and give technical support to NGOs, CBOs and government agencies. All the staff members (professionals, social organisers and technicians) collectively participate in the training exercise and where necessary, lane managers and extension agents are brought in. The Orangi area, which has been the scene of the OPP's activities for the last 15 years, serves as a demonstration area. As a result, every trainee, irrespective of his social class and education background, can relate to the trainers at the OPP-RTI.

Appendix - 4

Sr. No.	Area	Location	Internat	tional San	External Sanitation			
			Lanes	Rft.	Latrine s	Cost (Rs in Million)	Mains. Rft.	Cost (Rs in Million)
1.	Chanesar Goth	Karachi	4	450	28	0.012	-	-
2.	Manzoor Colony	Karachi	153	46,935	2,908	2.170	*2,450	18.845
3.	Islamia Colony	Karachi	108	24,840	1,043	1.250	8,050	1.443
4.	Bhitai Colony	Karachi	-	-	-	-	-	0.400
5.	Welfare Colony	Karachi	106	23,320	1,272	1.520	1,970	3.040
6.	Mujahid Colony	Karachi	17	5,865	525	0.630	3,435	0.842
7.	Jamali Colony	Karachi	20	3,400	140	0.168	1,882	0.328
8.	Madina Colony	Karachi	69	10,005	759	0.910	1,270	0.465
9.	Umer Baloch	Karachi	9	1,610	130	0.156	370	0.060
10.	Burmee Sharif	Karachi	219	28,660	3,285	3.942	3,510	0.988
11.	Baloch Colony	Karachi	10	1,813	120	0.144	2,800	0.340
12.	Awami Colony	Karachi	38	5,700	494	0.592	4,444	1.314
13.	Pirabad	Karachi	88	24,840	440	0.528	3,484	2.476
14.	Muslimabad	Karachi	42	17,346	420	0.504	-	-
15.	Rajput Colony	Karachi	49	11,660	539	0.647	2,125	1.043
16.	Zia Colony	Karachi	87	22,106	1,615	2.214	3,700	0.210
17.	Umer Colony 1	Karachi	26	3,180	318	0.381	900	0.059
18.	Umer Colony 2	Karachi	17	1,490	149	0.178	1,790	0.116
19.	Nishtarabad	Karachi	-	-	-		500	0.079
20.	Shah Rasool Colony	Karachi	21	2,814	210	0.252	1,594	0.401
21.	Ziaul Haq Colony	Karachi	111	13,764	999	1.198	2,960	0.665
22.	Bawani Chali	Karachi	44	4,488	352	0.422	2,360	0.748
23.	Khando Goth	Karachi	6	1,332	48	0.057	1,160	0.282
24.	Kausar Niazi Colony Blk 'F'	Karachi	78	13,260	1,014	1.216	376	0.098
25.	Kausar Niazi Colony Blk 'H'	Karachi	40	4,972	484	0.580	1,180	0.202
26.	Rehmatia Colony	Karachi	87	9,570	655	0.786	3,550	0.860
27.	Wahid Colony	Karachi	19	4,560	247	0.296	1,520	0.357
28.	Anjuman-e- Ittehat Colony	Karachi	3	600	27	0.018	800	0.238
29.	Qasimabad	Karachi	2	360	20	0.014	340	0.073
30.	Kot Lakhpat	Lahore	54	13,473	711	1.496	180	N.A.
31.	Qadri Colony 1	Lahore	27	5,794	308	0.730	-	-
32.	Qadri Colony 2	Lahore	5	1,064	43	0.125	-	-
33.	Yasrab Colony	Lahore	5	1,538	74	0.148	-	-
34.	Farooq Colony	Lahore	3	540	24	0.078	-	-
35.	National Colony	Faisalabad	3	582	38	0.081	-	-
36.	Dhuddiwala	Faisalabad	27	3,573	161	0.415	-	-
37.	Hasanpura	Faisalabad	51	7,664	540	1.211	-	-
38.	Rajda Town	Faisalabad	4	635	37	0.083	-	-
39.	Al-Najf Colony	Faisalabad	1	160	16	0.032	-	-
40.	Nimat Colony	Faisalabad	6	1,600	64	0.173	-	-
41.	Jalvi Market	Faisalabad	14	2,591	97	0.266	-	-
42.	Factory Area	Faisalabad	1	310	10	0.043	-	-
43.	Abdullah Town	Faisalabad	3	1,668	48	0.190	-	

Sewage Construction outside Orangi – February 2000

44.	Jalvi Trunk	Faisalabad	-	-	41	0.057	1,820	0.277
45.	Darusalam	Faisalabad	2	300	12	0.030		
	Colony							
46.	Iqbal Nagar	Faisalabad	2	418	22	0.048		
47.	Bilal Colony	Faisalabad	18	3,232	178	0.520	-	-
48.	Mujahid Town	Faisalabad	5	680	30	0.077		
49.	KTM Chowk	Faisalabad	2	210	6	0.021		
50.	Nisar Colony	Faisalabad	16	5,758	263	0.734		
51.	Satellite Town	Faisalabad	5	1,390	39	0.151		
52.	Khekashan	Faisalabad	-	-	-	-	*3,800	0.703
	Colony							
53.	Madina Colony	Faisalabad	2	415	23	0.057	-	-
54.	American	Hyderabad	-	-	-	-	5,297	1.200
	Barracks							
55.	American	Hyderabad	-	-	-	-	+4,610	0.770
	Quarters							
56.	American	Hyderabad	-	-	-	-	+3,615	0.502
	Quarters II							
57.	Gujrati Para	Hyderabad	-	-	-	-	+3,920	0.430
58.	Mominabad	Gujranwala	16	2,979	204	0.317	-	-
59.	Gole Tikri	Sukkur	14	1,650	155	0.199	9,800	1.700
60.	Tench Bhatta	Rawalpindi	1	464	23	0.209	-	-
61.	Dhok Matkan	Rawalpindi	26	5,635	371	0.517		
62.	Dhok Hassu	Rawalpindi	-	-	-	-	-	-
63.	Rasoolabad	Muzaffargarh					227	0.015
64.	Shagai	Swat	2	144	18	0.034	660	0.063
65.	Lodhran	Lodhran	3	330	29	0.060	*1,950	0.624
	Total		1,791	353,757	21,826	28.887	95,549	42.257

Rft.: running feet * : work in progress + : work stopped

Typed by: Israr Rana Dated: 08 Oct. 2000