

Journal of Public Policy Practitioners (JPPP)

Volume 3 Issue 1, Spring 2024

ISSN(P): 2959-2194, ISSN(E): 2959-2208

Homepage: <https://journals.umt.edu.pk/index.php/jppp>



Article QR



Title: Financial Devolution and Local Government: Citizen's Perception in Azad Jammu and Kashmir

Author (s): Zopash Khan

Affiliation(s): The University of Azad Jammu and Kashmir, Muzaffarabad, Pakistan

DOI: <https://doi.org/10.32350/jppp.31.05>

History: Received: October 28, 2023, Revised: March 29, 2024, Accepted: June 12, 2024, Published: June 27, 2024

Citation: Khan, Z. (2024). Financial devolution and local government: Citizen's perception in Azad Jammu and Kashmir. *Journal of Public Policy Practitioners*, 3(1), 92–120. <https://doi.org/10.32350/jppp.31.05>

Copyright: © The Authors

Licensing:  This article is open access and is distributed under the terms of [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/)

Conflict of Interest: Author(s) declared no conflict of interest



A publication of

School of Governance and Society

University of Management and Technology, Lahore, Pakistan

Financial Devolution and Local Government: Citizens Perception in Azad Jammu and Kashmir

Zopash Khan*

Kashmir Institute of Economics, The University of Azad Jammu and Kashmir,
Muzaffarabad, Pakistan

Abstract

This study aims to analyse the perception of citizens regarding accountability, competency, effectiveness, and challenges related to local government system. Respondent's income, gender, age, familiarity with roles and responsibilities of local government members, and engagement in political discussions are important factors affecting their perception. Data has been collected through stratified random sampling. Citizens revealed that accountability and effectiveness of government will improve after financial devolution. Moreover, voters mostly preferred to cast their votes on the basis of personal affiliation. Education remains top expectation of citizens from the Local Government (LG). This study also provides policy tools for the local government policy makers.

Keywords: debt, financial devolution, local government, perception

Introduction

Local government is an important part of democratic process. It plays an important role in providing services and promoting economic development at the grass root level. Local government encourages grass root representation which is essence of democracy. The importance of local government has been increasing due to the implementation of decentralisation policies from central to municipal level (Afonso & Fernandez, [2008](#)), which improves quality of policies and services due to addition of knowledge regarding local circumstances (Kellert et al., [2000](#); Montgomery, [1988](#); Poteete, [2004](#)). Furthermore, spending taxes and local economic development have implications on government debt burdens (Park, [2013](#)). Fiscal decentralisation discourages public debt in small and large economies. Local governments spend and borrow money more responsibly when held accountable by the public. (Horvathova et al., [2012](#)). Secondly, financial devolution gives more flexibility to local government

*Corresponding Author: zopash.khan@ajku.edu.pk

for managing their finances and controlling wastage of public funds, which eventually helps in minimizing the debt. Therefore, this kind of fund management can make public expenditure more efficient. Moreover, the performance of local governments requires financial and administrative decentralization, however, it depends on the competency and efficiency of the elected members.

In order to strengthen grass root level, local government elections were held in the Azad Jammu and Kashmir after the decision of Supreme Court of AJK in November/ December 2022. This election was a significant event in the history of the state. LG Elections were a test case for democracy and political decentralisation in the region. Moreover, administrative and financial devolution is necessary for good governance. However, they were not favoured by pro-status quo powers in Azad Kashmir (Mahmud, [2022](#)). Janjua and Rohdewold ([2020](#)) presented a picture of local government in Punjab, which is also a case in the Azad Kashmir. They demonstrated that mandate and powers of local government members are weakened by the national and provincial parliament members. Public development funds for the projects are allocated to the members of national and provincial assemblies to use in their respective areas. Ideally, provision of such funds should align with local development plans, whereas in reality, assembly members adjust these plans to benefit themselves. Such scenario exists in AJK as well, where development funds are on the disposal of member of legislative assembly and local government department. Hence, it can be concluded that lack of financial and administrative powers makes functioning of local bodies less effective.

Fiscal decentralisation is a two-dimensional system, which involves decentralisation in terms of revenue collection, that is taxes and responsibility to spend public funds (Porcelli, [2014](#)). Several studies have focused on the advantages of devolving powers, such as taxation to local level governments. Such devolution improves accountability and efficiency, when government that collects revenue from citizens invest on the public good delivering better outcomes for the community (Hankla, [2009](#); von Hagen, [2003](#)). Controlling spendings by the government can control national debt (Alesina et al., [2018](#)).

Participation in the political discussion is found to have an impact on citizen's perception (Ng & Detenber, [2005](#)), which plays an important role in the success of local government (Mohammadi et al., [2018](#)). Therefore,

questionnaire-based survey was designed for this study to analyze resident's opinion about the newly formed local governments, keeping in view the above parameters. Perception of citizens about effectiveness, accountability, and challenges for members of local bodies are analysed by conducting a survey in the city of Muzaffarabad.

This study is planned as follows: Section 2 presents literature review. Data collection and description of variables is discussed in Section 3. Furthermore, relation between respondent's characteristics and perception is explored in Section 4. Whereas, Section 5 presents Spearman correlation analysis. Conclusion and policy recommendations are presented in Section 6.

Literature Review

Buluma and Obande (2015) explained that devolution of power from central government to local authorities ensures transparency, accountability, and better skill sets of the governing bodies. Therefore, bringing governing bodies close by increasing participation in decision-making make governance more impactful. Therefore, devolution results in good governance which discourages poor financial management practices. Ji and Kim (2022) maintain that local administration can be more effective in providing required services to the residents. The additional resources required for development in the area shall be raised by the local elected officials and not by civil administration. Devolution of financial powers is necessary for the local development. Political and financial autonomy of local governments enhance performance of local governments (Oluwaleye, 2023).

Decentralization of power to local bodies is more functional as compared to national government which encourages resource allocation as per local needs (Carrasco et al., 2023). Rohdewohld (2023) asserts that various nations provide different rationale for the local government system. Argument varies from public service delivery to national unity and state building. Decentralization of political and administrative power can improve democratic participation, accountability, transparency, and the political empowerment of the residents.

There are arguments for and against devolution, which (Arends, 2020) refers to as decentralisation – enthusiastic and decentralisation sceptical perspectives. He emphasized on three major shortfalls that have emerged

from the literature, that is (in) efficiency, (in) equality, and (un) accountability that may result from decentralization. Regional disparity can be an outcome of decentralization, when poorer region can't compete with rich regions. This factor makes regional disparity even worse (Lessmann, [2006](#)).

Good governance is the most important factor affecting citizen's trust on local government. People expect abundance of rules and regulation from local government members (Rahman et al., [2023](#); Reddy, [2018](#)). Furthermore, accountability is an essential element for the better functioning of local government. (Akanbang & Abdallah, [2021](#)). In order to decentralise financial and administrative power from national to local authority, it is necessary to take accountability in discussion (Ji & Kim, [2022](#)).

Participation of women in the local government structure is important for inclusive governance to improve living standard, community services, and provide equal opportunity for everyone in the community (Aryani et al., [2023](#); Jovin & Tarimo, [2023](#); Makalanga et al., [2022](#); Munissy & Tarimo, [2023](#)). Moreover, women policy makers are more likely to make people centric policies taking in consideration the input of citizens. Socio-psychological and and political science literature also suggest that women have unique political belief and societal orientation which makes their voice "distinct" in the management of their area (Fox & Schuhmann, [1999](#)).

Furthermore, empirical literature advocates the use of citizen surveys to measure the effectiveness of local government and public service delivery (Almarshad, [2015](#); Brudney & England, [1982](#); Fitzgerald & Durant, [1980](#); Jaramillo & Wright, [2015](#); Link & Oldendick, [2000](#); Swindell & Kelly, [2000](#)).

Method

Data Collection and Variables

Through stratified random sampling, 150 questionnaires were collected from Muzaffarabad. Out of 150 questionnaires, 5 were rejected due to inadequate information provided. Muzaffarabad was selected for sampling purpose because people from all over AJK reside in the city for jobs, education, and others.

The city was stratified into five zones, each representing a stratum in the sampling process. This stratification ensures that each major geographic area of the city is represented in the sample. Zone 1 ranging from Chella Bandi to Sethi Bagh including plate area. Zone 2 covers Madina Market to Domail including bank road, Zone 3 runs from Tariqabad Bypass to Sangri Mehra covering Jalalabad and Narul region. Zone 4 includes Eastern side of the city including Shoukat line, Gojra, and Naluchi. Whereas, Zone 5 spans from Chatter to Ambore region. These zones were defined using city's map. Sampling was done in July 2023. Efficiency and transparency were ensured to warrant the reliability of gathered data.

Thirty respondents were randomly selected from each zone. Questionnaire with closed-ended questions was translated in Urdu and Pahari (local) languages for individuals who had little understanding of English language.

Questions I to X of the survey were related to personal information of the respondent, that is age, gender, education, place of residence, income, employment status, marital status, and engagement in political discussion. Through Questions XI to XXV, respondents were asked about their political awareness (familiarity with rules and relation related to LG), perception regarding individuals voting behaviour, expectations from local bodies members, women participation, efficiency, accountability and effectiveness of local governments. Exploratory analysis has been done to determine insights from the data set.

Respondent's Characteristics

Two important characteristics of the respondents, that is their political engagement and familiarity with roles and responsibility of local government are perceived as the determinants of their perception.

Political Engagement

Klofstad (2015) presented that individuals involved in political discussions are relatively politically active. Out of the selected respondents, 20.4 % responded that they actively engage in political discussions. About 40.1% of the respondents occasionally engaged in the political discussion. Around 22.4% of the participants rarely engaged in the political discussions, whereas 17% of the surveyed sample never participated in political discussions. In terms of the current analysis, the variable of citizens involved in political discussions is presented as “polengagement”.

Familiarity with Roles and Duties of Local Bodies

Voter's familiarity with the roles and duties of LG bodies has important implications on their perception of local government. Citizens with more awareness will have constructive perception based on facts. In order to analyse political and legal awareness among respondents, they were asked whether they are familiar with roles and responsibilities of the elected members delegated to local bodies by Local Government Act, 1990. About 11.6% of the participants responded that they were familiar with the act to a great extent. Around 36.3% of the respondents are to some extent familiar with the roles and responsibilities of the members, whereas 30.1% of the respondents have very little knowledge of the Act. However, 21.9% of the respondents had no information about the roles and responsibility of the members. In this study, citizen's familiarity with roles and duties of local government is abbreviated as "voterfamiliarity".

Other Characteristics

Other characteristics includes gender, age, and income of the respondents.

Respondent's Perception

Citizen's perception has been analysed by studying their perception on voting behaviour, consultation and dialogue, effectiveness, utilisation of public funds, existing accountability mechanisms, and financial devolution.

Voting Behaviour

Hazarika ([2015](#)) analyzed that voting behaviour of individual is influenced by several regional and communal factors, caste, or influence of a personality. Therefore, keeping in view the context of AJK, this study presented respondents with three options (i) personal affiliation, (ii) party affiliation, and (iii) clan-based affiliation. About 49% of the respondents think that voters cast their vote on the basis of personal affiliation with the candidate. Whereas, 29.7% of the participants feel that voters cast their vote on the basis of affiliation with the party. Furthermore, 21.4% of the respondents believed that voters cast their vote to the candidate with whom they have clan-based affiliation.

Consultation and Dialogue

Participation of citizens in the decision-making has initiated another wave of debate (Roberts, [2004](#); Tomas, [1999](#)). Mohammadi et al. ([2018](#)) suggested that there are two types of local government setups, (i) people centric and (ii) authority centric. They call people centric government as development-focused, educational, integrative and inclusive. People centric governments are more open to consult with the citizens. Further, interviewees were asked about the attitude of local government members towards consultation and dialogue to improve public service delivery. This study has found that almost 15.3% of the respondents think that local bodies elected members are open to consultation and dialogue. On the contrary, 32.6% believe that they are slightly interested in consultation and dialogue regarding improvement in service delivery. Out of the total respondents, 28.5% feel that they have very little interest in dialogue with the constituents to resolve their problems. Around, 23.6% believe that newly elected members of local government are not interested in consultation with the constituents. Citizen engagement in management and evaluation of the plan is very important that can lead to better local outcomes (The World Bank, [2014](#)).

Effectiveness of Local Government

Theoretically, there are competing perspectives on the effectiveness of the local government. Few theorists suggest that local governments are effective in the sense that solutions and policies are designed as per local needs. On the other hand, supporters of the centralised system of government suggest that there are chances of regional inequality due to availability of resources to few areas and unavailability in others. However, it is a popular belief that local authorities play significant role in the improvement of the public service delivery (Steiner et al., [2018](#)). To check the effectiveness of local government bodies, participants were asked whether local government in their district/ municipality is effective or not. As a result, 7.6% of the respondents believe that local government in their area is effective. Approximately, 31.5% of the responders feel that local government is somewhat effective. Whereas, 40.3% of the responders think that local government in their municipality is less effective and 20.8% believe that local bodies' governments are not effective at all.

Accountability Structure

Internal control system of accountability is essential for effective local government system to avoid fund misappropriation and fraud. Such system ensures financial accountability and transparency in management of funds (Aramide & Bashir, [2015](#)). Upon calculation, 9.1% of the participants reported that effective accountability mechanism is present to monitor local government members. About 23.8% perceive that accountability mechanism are somewhat present, whereas 38.5% and 28.7% of the participants feel that little to no accountability mechanism exists to monitor functioning of local government members, respectively.

Utilization of Public Funds

There are three entities using public fund in AJK for the development which includes local government department, members of legislative assembly, and elected members of local government. According to the findings, 32.9% of the answerers believe that local government department can spend funds in efficient manner. However, 18.2% of the respondents feel that members of legislative assembly can spend public fund in a better way, whereas 49% believe that funds are spent well by the LG members.

Public Perception on Financial and Administrative Devolution

Almarshad ([2015](#)), and Miller ([2002](#)) suggested that empowering local authorities can encourage accountability, transparency, and responsiveness of local bodies, which improves citizens satisfaction. Therefore, public perception regarding improvement in accountability and functioning of government after financial devolution holds importance. They are discussed as follows:

Improvement in Accountability (FD1)

About 34.5% of the participants believe that accountability will be efficient after the financial and administrative devolution. On the other hand, 41% think that accountability will be to some extent efficient after the devolution. Around 18% and 9.3% of the participants think that devolution will encourage little to no accountability, respectively. These statistics show that majority of the population believe that financial devolution can improve accountability of the elected members. The variable 'FD1' takes information of the citizen's perception on the improvement in the accountability after the financial devolution.

Functioning of Local Bodies (FD2)

Almost 34.5% of the participants believe that financial devolution will improve functioning of the local bodies. As, 41% think that financial devolution will somewhat improve, 18% of the respondents believe that functioning of local bodies will improve a little after the financial devolution. Further, 6.5% feel that functioning will not improve even after financial devolution. Improvement in the functioning of local government after the financial devolution is “FD2”, according to the current analysis.

Residents Expectations from Local Government

Residents perception regarding public service and evaluation of quality can help government set their priorities (Almarshad, [2015](#)). Therefore, to develop an effective policy measure, participants were asked about their expectations from the task assigned to local government members as per AJK Local Government Act, 1990, amended up to 2022. The results indicated that 20.3% of the participants selected public safety, 22.4% opted sanitation, 32.2% selected education, 11.2% chose health, and 14% picked encroachment as their top priority.

Women participation in the local government

Women participation in the election can be analysed in terms of three roles, (i) as candidates, (ii) as voters, and (iii) as campaign organizer of candidates. Out of the total participants, 26.7% think that women participated to a great extent in the local government election. Contrarily, 32.2% think that women somewhat participated in the local government election. About 32.9% of the responders think that women participation remained low in the elections, whereas 8.2% of the participants believe that women had no participation in the local government election.

Results

Relation between Respondent’s Characteristics and Their Perception

To analyse people’s perception, five variables were considered as important determinants of the resident’s opinion. These variables include age, gender, income of the respondents, participation in political discussions, and familiarity with roles and responsibility of local bodies’ members. Participation in the political discussion and voter’s familiarity with rules and regulations are indicators of resident’s awareness regarding the system. These variables are discussed below.

Relationship between Gender and Respondent's Perception

The variable 'gender' records gender of the respondents. Statistics in the Table 1 suggests that most of the men and women have same opinion regarding voting behaviour. They consider personal affiliation as the most important basis on which an individual cast their vote. Additionally, a particular number of women has given weightage to party-based affiliation as a significant factor. Furthermore, in case of effectiveness of local government, men and women have same type of opinions. Moreover, 39.7 % of the male respondents and 56.2% of the female respondents believe that elected members of local government should spend public fund for the betterment of people. When asked about accountability improvement, male and female respondents have somehow similar responses. Around 42.8% of the women feel that local government will function better after the financial devolution. Whereas, 43.5% of the male respondents believe that functioning of local government will somewhat improve after the financial devolution. Majority of the male and female respondents prioritised education as the topmost expectation from the newly elected members. However, men have also prioritised public safety, whereas women have prioritised sanitation as their second expectation from the elected members.

Relationship between Income and Respondent's Perception

The variable "income" records income of the respondents. They were asked to select an option among five income groups. Income1 comprises respondents with income 10000-30000. Income2 includes respondents with income 30001 to 50000. Income3 consists of participants with income ranging from income 50001 to 75000. Income4 contains income data of respondents with income between 75001 to 100000. Moreover, Income5 carries information of respondents whose income is above 100001. Cross tabulation of income and other variables presented in the Table 2 suggests that respondents of the Income1, Income3, and Income5 think that personal affiliation is the most important reason behind voting a candidate. However, Income2 respondents believe that party-based affiliation is the most important factor behind voting for a particular individual. However, Income4 individuals have given same weightage to all types of affiliations.

A larger number of respondents from Income1 perceived that local governments are less effective. This trend continues for next income level. However, most of the people from

Table 1
Relation between Gender and Citizen's Perception

	Male	Female	Total
Voting Behavior			
Party Affiliation	17	26	43
Personal Affiliation	29	42	71
Clan-based Affiliation	17	14	31
Total	63	82	145
Effectiveness			
To a great extent	6	5	11
Somewhat	15	30	45
Very little	26	32	58
Not at all	15	15	30
Total	62	82	144
Public Service Improvement			
To a great extent	10	7	17
Somewhat	22	19	41
Very little	23	32	55
Not at all	9	22	31
Total	64	80	144
Public Fund Spending			
Local Govt Department	27	20	47
Members of Legislative Assembly	11	15	26
Elected Members of Local Government	25	45	70
Total	63	80	143
FD1			
To a great extent	17	26	43
Somewhat	27	29	56
Very little	11	17	28
Not at all	6	7	13
Total	61	79	140
FD2			
To a great extent	15	33	48
Somewhat	27	30	57
Very little	15	10	25
Not at all	5	4	9

	Male	Female	Total
Total	62	77	139
Expectations			
Public Safety	15	14	29
Sanitation	12	20	32
Education	22	23	45
Health	6	10	16
Encroachment	8	12	20
Total	63	79	142

Income3 believe that local governments are somehow effective. Moving forward, Income1 respondents think that elected member of local government should spend public fund considering needs of the locals. Furthermore, financial devolution will somewhat improve accountability and the functioning of government to a great extent. However, majority of the individuals from Income2 believe that local government department should be strengthened to utilise public fund. Majority of the participants in Income3, Income4, and Income5 believe that elected members of local government should spend the fund. Hence, these statistics suggest that perception of individuals is not changing with change in income.

Table 2

Relation between Income and Citizen's Perception

	10000-30000	30001-50000	50001-75000	75001-100000	100001 and above	Total
Voting Behavior						
Party Affiliation	9	9	3	4	3	28
Personal Affiliation	14	8	8	4	12	46
Clan-based Affiliation	2	6	2	4	4	18
Total	25	23	13	12	19	92
Effectiveness						
To a great extent	2	1	3	0	1	7
Somewhat	3	8	6	3	6	26
Very little	13	9	2	8	9	41
Not at all	5	5	2	1	3	16
Total	23	23	13	12	19	90

	10000- 30000	30001- 50000	50001- 75000	75001- 100000	100001 and above	Total
Public Service Improvement						
To a great extent	3	2	1	0	2	8
Somewhat	7	5	9	2	5	28
Very little	10	14	0	6	6	36
Not at all	3	2	3	4	6	18
Total	23	23	13	12	19	90
Public Fund Spending						
Local Govt Department	6	11	3	3	4	27
Members of Legislative Assembly Elected	5	7	1	2	1	16
Members of Local Government	12	5	9	7	14	47
Total	23	23	13	12	19	90
FD1						
To a great extent	5	7	7	2	7	28
Somewhat	8	13	3	5	7	36
Very little	6	1	3	3	2	15
Not at all	3	2	0	1	2	8
Total	22	23	13	11	18	87
FD2						
To a great extent	8	7	5	4	10	34
Somewhat	5	11	8	4	6	34
Very little	6	4	0	2	1	13
Not at all	3	0	0	1	1	5
Total	22	22	13	11	18	86
Expectations						
Public safety	5	5	2	2	4	18
Sanitation	6	5	4	2	7	24
Education	8	7	4	5	3	27
Health	1	1	1	1	3	7
Encroachment	3	4	1	2	2	12
Total	23	22	12	12	19	88

Most of the respondents from high income group have prioritised sanitation, whereas greater number of residents from other income groups have prioritised education.

Relationship between Age and Responder's Perception

The voting behaviour, opinion regarding effectiveness of the local government, spending of public funds for development, impact of financial devolution on accountability, and functioning of government remains the same across various age groups. However, people of age 18-30 have prioritised education, 31-45 prioritised public safety, 46-60 prioritised sanitation, and 61 and above also prioritised sanitation. Cross tabulations are presented in Table 3.

Relationship between Political Engagement and Responder's Perception

Table 4 presents relation of political engagement and responder's perception. Most of the participants who reported frequent or occasional participation in the political discussion believe that individuals vote on the basis of their personal affiliation. However, people who rarely participate in the political discussion feel that voter cast their vote on the basis of their party and personal affiliation. Respondents who don't participate in the political discussion believe that personal affiliation is an important reason considered while casting the vote.

About 46.7% of the people who frequently participate in the political discussions believe that local governments have been very less effective. Whereas, 43.1% of the people who occasionally participate in the discussions feel that local governments in their locality are somewhat effective. Yet, 41.6% of the residents who never participate in the political discussions think that local governments are not effective.

Around 70% of the frequent participants believe that public fund should be utilized by the local government members. While 16.7% believe that Members of Legislative Assembly (MLA) should spend public money, 13.3% who frequently participate in political discussions believe that public fund should be allocated by local government department. However, 44.8% of the occasional participants in the political discussions feel that local government members should utilise development fund keeping in view the needs of residents. According to the findings, 45.4%, 27.7%, and 27.7% of the respondents who rarely participate in the political discussions believe

that elected members of the local government, MLAs, and local government department should disburse public fund, respectively. Contrarily, 50%, 24.2%, and 13.6% of the respondents who never participate in the political discussions think that local government department, elected members of local government, and MLAs should utilise public funds for the wellbeing of the citizens, respectively.

About 44.8% of the frequent participants in the political discussions think that financial devolution will improve accountability and functioning of government to a great extent. Similarly, 50.8% and 35.1% of the respondents who occasionally participate in the political discussions believe that financial devolution can improve accountability of the local governments, respectively. Furthermore, 49% and 40% of the respondents that occasionally participate in the political discussions believe that accountability and functioning of the government will improve after the financial devolution to the local government. However, 45.4% of the respondents who rarely participate in the political discussions believe that financial devolution will somewhat improve accountability of the LG members and 46.8% think that financial devolution will somewhat improve functioning of the local bodies' members. Yet, 45.4% of the respondents who never participate in the political discussions feel that financial devolution will not have any impact on the accountability of the LG members.

Table 3

Relationship between Age and Citizen's Perception

	18-30	31-45	46-60	61 & above	Total
Voting Behavior					
Party Affiliation	35	4	2	2	43
Personal Affiliation	51	15	1	3	70
Clan-based Affiliation	20	9	2	0	31
Total	106	28	5	5	144
Effectiveness					
To a great extent	9	2	0	0	11
Somewhat	35	5	3	2	45
Very little	41	12	1	3	57
Not at all	20	9	1	0	30
Total	105	28	5	5	143

	18-30	31-45	46-60	61 & above	Total
Public Service Improvement					
To a great extent	14	2	0	0	16
Somewhat	26	11	1	3	41
Very little	43	8	3	1	55
Not at all	22	7	1	1	31
Total	105	28	5	5	143
Public Fund Spending					
Local Govt Department	35	11	1	0	47
Members of Legislative Assembly	21	3	1	0	25
Elected Members of Local Government	49	13	3	5	70
Total	105	27	5	5	142
FD1					
To a great extent	30	10	1	1	42
Somewhat	41	10	4	1	56
Very little	23	3	0	2	28
Not at all	10	3	0	0	13
Total	104	26	5	4	139
FD2					
To a great extent	33	9	2	3	47
Somewhat	40	12	3	2	57
Very little	22	3	0	0	25
Not at all	7	2	0	0	9
Total	102	26	5	5	138
Expectations					
Public safety	16	10	0	2	28
Sanitation	22	4	3	3	32
Education	36	9	0	0	45
Health	15	1	0	0	16
Encroachment	16	2	2	0	20
Total	105	26	5	5	141

As per the findings, most of the participants from different levels of participation have prioritised education, however people who rarely take part in the political discussions have prioritised public safety.

Table 4
Relation between Political Engagement and Citizen's Perception

	Very Frequently	Occasionally	Rarely	Never	Total
Voting Behavior					
Party Affiliation	9	14	14	6	43
Personal Affiliation	18	26	13	14	71
Clan-based Affiliation	3	19	5	4	31
Total	30	59	32	24	145
Effectiveness					
To a great extent	3	4	3	1	11
Somewhat	8	25	8	4	45
Very little	14	18	17	9	58
Not at all	5	11	4	10	30
Total	30	58	32	24	144
Public Service Improvement					
To a great extent	6	6	3	2	17
Somewhat	6	18	11	6	41
Very little	9	25	12	9	55
Not at all	9	9	7	6	31
Total	30	58	33	23	144
Public Fund Spending					
Local Govt Department	4	23	9	11	47
Members of Legislative Assembly	5	9	9	3	26
Elected Members of Local Government	21	26	15	8	70
Total	30	58	33	22	143
FDI					
To a great extent	13	20	8	2	43
Somewhat	9	29	15	3	56

Very little	3	7	8	10	28
Not at all	4	1	1	7	13
Total	29	57	32	22	140
FD2					
To a great extent	20	22	6	0	48
Somewhat	6	27	15	9	57
Very little	2	6	11	6	25
Not at all	2	0	0	7	9
Total	30	55	32	22	139
Expectations					
Public safety	6	13	4	6	29
Sanitation	9	14	7	2	32
Education	10	18	12	5	45
Health	2	4	5	5	16
Encroachment	3	8	4	5	20
Total	30	57	32	23	142

Relationship between Familiarity with Rules and Regulation and Responder's Perception

According to the findings of Table 5, 64.7 %, 47.1%, and 38.6% of the respondents who have greater, medium, and low level of familiarity with the roles and responsibilities of the elected members of local government feel that people cast their votes to a candidate because of their personal affiliation.

Also, 37.5% of the respondents with higher familiarity and 39.6% of the participants with medium level of the familiarity think that local government is somewhat effective. Besides, 40.9% of the respondents who have little knowledge of the roles and responsibilities and 54.8% of the participant who have no understanding at all revealed that newly established local governments are quite less effective.

On the contrary, 64.7% of the participants who have higher level of understanding believe that elected members of the local government should be responsible to spend public fund. Whereas, 62.3% of the responders who have medium level of understanding think that elected members of local government should be responsible to spend public fund. Around 41.4% of the respondent with lesser understanding feel that local government department should spend public funds on development plans. Yet, 41.9%

and 38.7% of the respondents with less knowledge believe that elected members and local government department should make development schemes for the people. Such similar response can be due to lack of awareness of the dynamics of the work involved.

Most of the respondents with higher or medium levels of familiarity with roles and duties of LG members believe that financial devolution will improve accountability and functioning of local governments. They prioritised encroachment, public safety, and health.

However, residents with less to no voter familiarity believe that financial devolution will somewhat improve the accountability and functioning of the LG bodies. They have also prioritised education and public safety as top expectation from the local government members. Cross tabulation statistics are presented in Table 5.

Spearman's Correlation

Spearman's correlation is used to analyse strength and direction of association between variables. Significant variables for current study are ordinal in nature, therefore, Spearman's correlation is used to examine the relationship. Spearman's correlation coefficient (ρ) indicates that political engagement and effectiveness of local government are positively associated with each other. These statistics are also supported by p value which suggests validity at 10% level of significance.

Table 5

Relation between Voters Familiarity and Citizen's Perception

	To a great extent	Somewhat	Very little	Not at all	Total
Voting Behavior					
Party Affiliation	6	14	16	7	43
Personal Affiliation	11	25	17	17	70
Clan-based Affiliation	0	14	11	6	31
Total	17	53	44	30	144
Effectiveness					
To a great extent	3	4	1	3	11
Somewhat	6	21	14	4	45
Very little	4	19	18	17	58

	To a great extent	Somewhat	Very little	Not at all	Total
Not at all	3	9	11	7	30
Total	16	53	44	31	144
Public Service Improvement					
To a great extent	3	3	6	5	17
Somewhat	5	20	10	5	40
Very little	4	19	17	15	55
Not at all	5	11	9	6	31
Total	17	53	42	31	143
Public Fund Spending					
Local Govt Department	5	13	17	12	47
Members of Legislative Assembly	1	7	12	6	26
Elected Members of Local Government	11	33	12	13	69
Total	17	53	41	31	142
FD1					
To a great extent	10	20	7	6	43
Somewhat	4	21	23	8	56
Very little	1	8	9	10	28
Not at all	1	4	2	6	13
Total	16	53	41	30	140
FD2					
To a great extent	13	19	8	8	48
Somewhat	0	27	23	7	57
Very little	3	5	9	8	25
Not at all	0	1	1	7	9
Total	16	52	41	30	139
Expectations					
Public safety	4	8	10	7	29
Sanitation	2	18	8	4	32
Education	4	16	16	9	45
Health	2	6	3	5	16
Encroachment	5	3	7	5	20
Total	17	51	44	30	142

Additionally, Spearman rho shows positive relation among political engagement and FD1. These estimates are significant at 5% level of

significance. Among political engagement and FD2, rho suggests a significant positive relationship.

Furthermore, another variable of interest is voter's familiarity which indicates voter's awareness with the roles and duties of the local government members and its relation with respondent's perception. The statistics presented in Table 6 suggest that voter familiarity and effectiveness are positively correlated at 5% level of significance. Spearman's coefficient also indicates positive and significant relation of voter familiarity with FD1 and FD2.

Table 6

Spearman's Correlation among Pol Engagement and Voter Familiarity and Citizen's Perception

	Effectiveness	FD1	FD2
Pol engagement	0.15	0.33***	0.50***
Voter familiarity	0.19***	0.32***	0.36***

Note. *** $p < .001$. ** $p < .01$.

Discussion

Arif et al. (2010) is of the opinion that objective of the local government is to improve the governance and in this regard citizen perception survey is important to improve government services. Our study based on citizen perception survey reveal that citizen vote to a candidate on basis of their personal affiliation. Considering this, social networking has a powerful impact on voters (Richey, 2008). More women are convinced that local government bodies can make citizen life better after financial devolution as compared to male citizen.

Furthermore, estimates also suggest that women and men prioritize different expectations from government. Most of the men reveal public safety as their top expectation from local government members. This priority can be because men are more involved in community and are more exposed to crime and violence. Moreover, women have prioritized sanitation as their primary concern, likely because they face greater challenges related to it due to their larger share of domestic responsibilities, including cleaning. This implies that women have different psychological and political attitude to that of men (Fox & Schuhmann, 1999).

Furthermore, citizens in our sample with higher incomes tend to believe that local bodies should manage public funds, whereas low-income individuals place equal importance on local government officials, as well as other combined entities like local government departments and legislative assembly members, when it comes to spending public funds. Mu (2022) infers that public perception on government changes with change in income levels. Additionally, our results reveal that citizen's perceptions remain consistent across different age groups. However, De Mello (2020) deduce that participation of individuals in community and local politics increase with age.

Janti et al. (2023) considers citizens participation as most important tool for governance. As per our estimates, those with higher political engagement and better understanding of local government roles and responsibilities tend to believe that people vote based on personal affiliations with candidates. These findings are significant because individuals who are familiar with the roles and responsibilities of elected officials and actively engage in political discussions tend to have a higher level of awareness. This greater awareness leads to more informed and constructive opinions compared to those with less engagement or understanding. Furthermore, most citizens with higher political involvement and greater familiarity with these roles and responsibilities of elected members of LG believe that elected local government members should be responsible for spending public funds.

These results also affirm that financial devolution to local bodies is essential for the development at the gross root level. Financial devolution also improves accountability mechanism and functioning of the local government, which is aligned with previous studies including Oluwaleye (2023) and Buluma & Obande (2015). Botchwey (2017) maintains that funding and functions of local government play vital role in crafting a sustainable decentralized system.

Conclusion

The findings of the current study revealed that the engagement in political discussions and knowledge of roles and responsibilities of the local government have an impactful influence on the perceptions of masses.

Therefore, the analysis of citizen's perception suggested that current local government structure is not effective due to lack of financial powers

to allocate public funds. Several respondents believed that financial devolution can make this system more effective as it will improve accountability and functioning of the government.

Moreover, respondents also believed that individual cast their vote to candidate on the basis of their personal affiliation with them. However, clan-based and party-based affiliations are also important factors in casting of a vote to a particular candidate.

Moreover, respondents showed their dissatisfaction with lack of consultation and dialogue which undermines the principles of local governance. Education was identified as the top expectation by the citizens from local government members. Hence, it was concluded that the government needs to make effective decisions related to devolution of finances and power to the local governments in Azad Jammu and Kashmir. Financial and administrative devolution is a prerequisite to make local bodies effective. Moreover, internal accountability mechanisms and transparency needs to be established in the LG system. Developing liaison with the community by creating digital platform is an essential tool to ensure good governance. However, such initiatives can only be effective when elected members of local government are willing to make a change by ensuring economic development to the grass root level.

Conflict of Interest

The authors of the manuscript have no financial or non-financial conflict of interest in the subject matter or materials discussed in this manuscript.

Data Availability Statement

The data associated with this study will be provided by the corresponding author upon request.

References

- Afonso, A., & Fernandez, S. (2008). Assessing and explaining the relative efficiency of local government. *The Journal of Socioeconomics*, 37(5), 1946–1979. <https://doi.org/10.1016/j.socec.2007.03.007>
- Akanbang, B. A. A., & Abdallah, A. I. (2021). Participatory monitoring and evaluation in local government: A case study of Lambussie district, Ghana. *Commonwealth Journal of Local Governance*, 25, 40–55.

- Alesina, A., Favero, C. A., & Giavazzi, F. (2018). *Climbing out of debt: A new study offers more evidence that cutting spending is less harmful to growth than raising taxes*. IMF eLibrary. <https://www.elibrary.imf.org/view/journals/022/0055/001/article-A003-en.xml>
- Almarshad, S. O. (2015). Municipal awareness and citizen satisfaction: The case of northern borders in Saudi Arabia. *International Review of Management and Marketing*, 5(2), 94–101.
- Aramide, S. F. & Bashir, M. M. (2015). The effectiveness of internal control system and financial accountability at the local government level in Nigeria. *International Journal of Research in Business Management*, 3(8), 1–6.
- Arends, H. (2020). The dangers of fiscal decentralization and public service delivery: A review of arguments. *Political Quarterly*, 61(3), 599–622. <https://doi.org/10.1007/s11615-020-00233-7>
- Arif, S., Cartier, W., Golda, A. & Nayyar-Stone, R. (2010). The local government system in Pakistan: Citizens perceptions and preferences. *IDG Working Paper No. 2010-20, Urban Institute Centre on International Development and Governance*.
- Aryani, Y. A., Gantayowati, E., Nurrahmawati, A., Arifin, T., & Sutaryo, S. (2023). Women's political representation in local government: Its impact on public service quality. *Corporate Governance and Organizational Behavior Review*, 7(3), 375–384. <https://doi.org/10.22495/cgobrv7i3sip12>
- Botchwey, G. (2017). Public expectations in local governance: Unit committees under Ghana's decentralised system. *Ghana Journal of Development Studies*, 14(1), 166-187. <https://doi.org/10.4314/gjds.v14i1.9>
- Brudney, J., & England, R. (1982). Urban policy making and subjective service evaluations: Are they compatible? *Public Administration Review*, 42(2), 127–135. <https://doi.org/10.2307/975534>
- Buluma, F. C. O., & Obande, M. N. M. (2015). Justification for a devolved system of government: Corporate governance and financial management issues in Kenya. *European Journal of Business and Management*, 7(31), 98–108.

- Carrasco, B., Rahemtulla, H. A., & Rohdewohld, R. (2023). *Decentralization, local governance, and localizing the sustainable development goals in Asia and the Pacific*. Routledge.
- De Mello, L. (2020). Population ageing and local governments: Does engagement with the local community change over the lifecycle? *Local Government Studies*, 47(3), 364–385.
<https://doi.org/10.1080/03003930.2020.1802253>.
- Fitzgerald, M., & Durant, R. (1980). Citizen evaluations and urban management: Service delivery in an era of protest. *Public Administration Review*, 49(6), 585–594.
<https://doi.org/10.2307/3110311>
- Fox, R. L., & Schuhmann, R. A. (1999). Gender and local government: A comparison of women and men city managers. *Public Administration Review*, 59(3), 231–242. <https://doi.org/10.2307/3109951>
- Hankla, C. R. (2009). When is fiscal decentralisation good for governance? *Publius*, 39(4), 632–650. <https://doi.org/10.1093/publius/pjn034>
- Hazarika, B. (2015). Voting behaviour in India and its determinants. *IOSR-Journal of Humanities and Social Science*, 20(10), 22–25.
<https://doi.org/10.9790/0837-201042225>
- Horvathova, L., Horvath, J., Garda, V., & Kubak, M. (2012). Fiscal decentralization and public debt in European Union. *Journal of Local Self-government*, 10(3), 265–276. [https://doi.org/10.4335/10.3.265-276\(2012\)](https://doi.org/10.4335/10.3.265-276(2012))
- Janjua, M. A., & Rohdewohld, R. (2019). Critique of the functional assignment architecture of Punjab’s local governance legislation of 2013 & 2019. *Commonwealth Journal of Local Governance*, 22, Article e7408.
<https://doi.org/10.5130/cjlg.vi22.7408>
- Jantti, A., Paananen, H., Kork, A.-A., & Kurkela, K. (2023). Towards interactive governance: Embedding citizen participation in local government. *Administration & Society*, 55(8), 1529-1554.
<https://doi.org/10.1177/00953997231177220>
- Jaramillo, M., & Wright, G. D. (2015). Participatory democracy and effective policy: Is there a link? Evidence from rural Peru. *World Development*, 66, 280–292. <https://doi.org/10.1016/j.worlddev.2014.08.011>

- Ji, S., & Kim, S. H. (2022). A study on the effect analysis of the debt reduction policy of local public enterprises. *Social Science*, 18(1), 47–75. <http://doi.org/10.24020/kjlpe.2022.18.1.47>
- Jovin, G., & Tarimo, E. A. (2023). Women and administrative leadership positions in local government authorities in Tanzania. *International Journal of Business Management and Economic Review*, 6(2), 38–50. <http://doi.org/10.35409/IJBMER.2023.3471>
- Kellert, S. R., Mehta, J. N., Ebbin, S. A., & Lichtenfeld, L. L. (2000). Community natural resource management: Promise, rhetoric, and reality. *Society & Natural Resources*, 13(8), 705–715. <https://doi.org/10.1080/089419200750035575>
- Klofstad, C. A. (2015). Exposure to political discussion in college is associated with higher rates of political participation over time. *Political Communication*, 32(2), 292–309. <https://doi.org/10.1080/10584609.2014.944322>
- Lessmann, C. (2006). *Fiscal decentralization and regional disparity: A panel data approach for OECD countries* (Working Paper No. 25). IFO Institute-Leibniz Institute for Economic Research at the University of Munich. <https://hdl.handle.net/10419/73739>
- Link, M., & Oldendick, R. (2000). The role of survey research in the benchmarking process. *Journal of Public Budgeting Accounting and Financial Management*, 12(1), 138–164. <https://doi.org/10.1108/JPBAFM-12-01-2000-B007>
- Mahmud, E. (2022, December 13). AJK: What next? *The News International*. <https://www.thenews.com.pk/print/1019450-ajk-what-next>
- Makalanga, L. B., Kilonzo, R. G., & Nguyahambi, A. M. (2022). Women political leaders' participation in local decision-making structures in Tanzania. *African Journal of Applied Research*, 8(2), 68–82.
- Miller, K. L. (2002, June 25–28), *Advantages and disadvantages of local government decentralization* [Paper presentation]. Proceedings of the Caribbean Conference of Local Government Decentralization. Georgetown, Guyana.
- Mohammadi. S. H., Norazizan, S., & Nikkhah, H. A. (2018). Conflicting perceptions on participation between citizens and members of local

- government. *Qual Quant*, 52, 1761–1778.
<https://doi.org/10.1007/s11135-017-0565-9>
- Montgomery, J. D. (1988). *Bureaucrats and people: Grassroots participation in third world development*. The Johns Hopkins University Press.
- Mu, R. (2022). Perceived relative income, fairness, and the role of government: Evidence from a randomized survey experiment in China, *China Economic Review*, 73, 101784.
<https://doi.org/10.1016/j.chieco.2022.101784>
- Munissy, N., & Tarimo, E. A. (2023). The influence of sex and institutional positions on participation of female councillors in decision making: Experience from Shinyanga District Council, Tanzania. *The Accountancy and Business Review*, 15(2), 12–21.
<https://doi.org/10.59645/abr.v15i2.104>
- Ng, E. W. J., & Detenber, B. H. (2005). The impact of synchronicity and civility in online political discussions on perceptions and intentions to participate. *Journal of Computer-Mediated Communication*, 10(3), Article eJCMC1033. <https://doi.org/10.1111/j.1083-6101.2005.tb00252.x>
- Oluwaleye, J. M. (2023). State Interference and service delivery in Nigeria's local government administration: The case of Ado local government area, Ekiti State, 2011–2021. *Global Journal of Political Science and Administration*, 11(2), 28–41.
- Park, J. H. (2013). Local government reforms: Is it effective on debt burdens. *Public Finance and Management*, 13(3), 195–14.
<https://doi.org/10.1177/152397211301300304>
- Porcelli, F. (2014). *Fiscal decentralisation and efficiency of government*. University of Warwick.
<https://citeseerx.ist.psu.edu/document?repid=rep1&type=pdf&doi=d01ac890a7038b77f9527c9c052491697acf429b#page=1.00>
- Poteete, A. R. (2004, August 9–13). *Is decentralization a reliable means of increasing equity?* [Paper presentation]. Proceedings of the tenth biennial conference of the International Association for the Study of Common Property. Oaxaca, Mexico.
- Rahman, F. A. A., Suki, N. M., Yusof, M. I. M., & Yusof, R. (2023). Residents' trust in local government councils in an emerging nation: Effect of political efficacy, good governance and

- performance. *Transforming Government: People, Process and Policy*, 17(1), 39–53. <https://doi.org/10.1108/TG-02-2022-0015>
- Reddy, P. S. (2018). Evolving local government in post conflict South Africa: Where to? *Local Economy*, 33(7), 710–725. <https://doi.org/10.1177/0269094218809079>
- Richey, S. (2008). The autoregressive influence of social network political knowledge on voting behavior. *British Journal of Political Science*, 38(3), 527–542. <https://doi.org/10.1017/S0007123408000264>
- Roberts, N. (2004). Public deliberation in an age of direct citizen participation. *The American Review of Public Administration*, 34(4), 315–353. <https://doi.org/10.1177/0275074004269288>
- Rohdewohld, R. (2023). Political and administrative decentralisation in Asia and the Pacific. In B. Carrasco, H. A. Rahemtulla, & R. Rohdewohld (Eds.), *Decentralization, local governance, and localizing the sustainable development goals in Asia and the Pacific* (pp. 21–42). Routledge.
- Steiner, R., Kaiser, C., Tapscott, C., & Navarro, C. (2018). Is local always better? Strengths and limitations of local governance for service delivery. *International Journal of Public Sector Management*, 31(4), 394–409. <https://doi.org/10.1108/IJPSM-05-2018-226>
- Swindell, D., & Kelly, J. (2000). Linking citizen satisfaction data to performance measures: A preliminary evaluation. *Public Productivity and Management Review*, 24(1), 30–52. <https://doi.org/10.2307/3381075>
- The World Bank. (2014). *Strategic framework for mainstreaming citizen engagement in world bank group operations*. <https://consultations.worldbank.org/content/dam/sites/consultations/doc/migration/ce-feedback-summary-june2014.pdf>
- Tomas, M. K. (1999). Citizen participation: Conflicting interests in state and national agency policy making. *The Social Science Journal*, 36(3), 441–458. [https://doi.org/10.1016/S0362-3319\(99\)00016-6](https://doi.org/10.1016/S0362-3319(99)00016-6)
- von Hagen, J. (2003). Fiscal federalism and political decision structures. In R. J. Blindenbacher, R. Blindenbacher, & A. Koller (Eds.), *Federalism in a changing world: Learning from each other* (pp. 373–394). McGill-Queens University Press.