Breaking the vicious circle of distrust and underdevelopment in context of creative economy: The case of Pakistan

1. The Vicious Circle of Distrust and Under Development

In developing countries, the experiences of government-led development through heavy loans and grants from international donors have added to records of failure because of centralized system of plan formulation and its implementation through complex bureaucratic structure of government agencies. Realizing the inevitability of active participation of the local communities, the international donor agencies persuaded the governments in developing countries for transforming from traditional top down and centralized approach of delivered development to participatory development. However, in the name of participatory development, huge amount of hard capital has been extensively used for the creation of physical infrastructure whereas the formation of human capital and social capital has been generally ignored. The failure of top down and centralized approach of plan formulation and its implementation through heavy investment on physical capital without considering the formation of human and social capital has now been well recognized by development planners. Social capital facilitates human actions for collective efforts and increase efficiency of human capital, which eventually contributes to the efficient utilization of hard capital. Trust, as a social capital is now attracting attentions from researchers and practitioners.

Pakistan has experience different development approaches guided by the international donor agencies and many of these approaches resulted in failure. This is similar to the phenomenon that took place in 50s and 60s when donor agencies like USAID, World Bank etc. asserted that large organizations could send forth materials and human resources and improve human welfare and contribute to poverty reduction in the world (Guy Gran, 1983). The assumption of this approach was that modernization can be recreated in any country if sufficient capitals and technology are introduced under the guidance of western experts. But the failure in these countries forced them to change the goals and approaches in 70s. Since material bases of development do not create next cycle of production, the focus had been changed from physical capital to human capital. The names of the second generational approaches are various. Self-reliant, human development, people-centered approach, empowerment and capacitating can be included in the second generational approaches. The common goal is to build people's capacity to solve their problems[i]. This strategy works at best in creating highly educated, typically foreign educated, and PhD holders, but their talents usually are not utilized to enhance the socio economic condition of poor, local communities.

There is vicious circle of low social capital and low development in the least developed countries. In the low social capital society, there is low social trust. Exploitation for the people in the higher social position and rent seeking for those in the lower social position are rational choices for them and therefore prevailing in low trust situation. Thus low trust situation obstructs collective action. When physical capital pours into this situation, the rich becomes richer and the poor remains poor, the average income remains same as before and the inequality becomes exacerbated. The widening gap of income and quality of life strengthens distrust between the haves and the have-nots. This is a good explanation about the trap of poverty but not enough for planners and policy makers who wish to change the situation since it does not provide any solution to nurture social capital.

Social capital is a relational property among people. Unlike property right, it cannot be owned separately by any individuals and therefore cannot be transferred from one person to another. Unlike physical and human capital, it cannot be transferred externally. It can only be nurtured internally within society. Then, how can it be nurtured in low social capital situation? To escape from this logical trap, we need to explore the evolutionary process in the real fields.

2. The Nature of Vicious Circle of Distrust and Underdevelopment in Pakistan

The vicious circle of distrust and underdevelopment is generated due to inappropriate approaches of participatory development and it is strengthened due to inequalities in sharing the role and functions with beneficiary communities. In case of the government-led participatory development this vicious circle gets stronger due to centralized systems of governance and inappropriate rules for the allocation and utilization of physical capital.
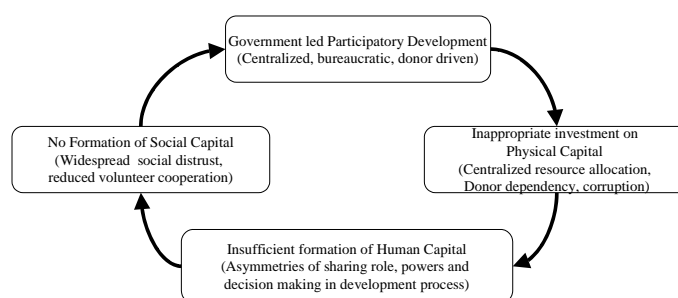

Figure 1: Vicious circle of distrust and underdevelopment

The inappropriate investment in physical capital through centralized and bureaucratic channels of implementation without considering the sufficient formation of human and social capital destroys the inherited stock of social capital possessed by communities and thicken the vicious circle of distrust. The physical affluence is not a condition to break this vicious circle. In high trust society the decentralized system can easily work due to high stock of inherited social capital, but it is not clear that how the decentralized system can convert the vicious circle of distrust into positive circle of nurturing social capital in low trust situation. There is a mismatch of the available stock of social trust within the community and the required level of social trust to work with external agents of development. The problem situation and the nature of resources necessary to solve these the problem is differently related with social capital. The present models of development do not consider necessary resources, specially the social trust and trustworthy institutional framework that can break vicious circle of distrust.

Looking at the experience in Pakistan, we observe the vicious circle of distrust and low development. However, dichotomies of low trust society and high trust society seem inappropriate. We found that local communities are equipped with sufficient self-organizing capability in the case studies about sewerage construction[ii]. In the low-income community within the low-income country, people raised their found and supervised construction of sewerage by themselves. Without mutual trust, such a collective action cannot be conceivable. However this self-organizing capability is limited to intra-community scale problems. To deal with inter-community scale problems the intervention by external agents is required to facilitate collaboration. In most of the external intervention funded by ADB, World Bank, and UNICEF, the communities showed high volunteer cooperation at the beginning but it gradually declined when government agencies could not complete or maintain the external development. Even OPP, the UN Habitat award winning local NGO, could not

facilitate collaboration when they were hired as an external agent outside their territory. When external agents are involved, they retain the right to exit from the project at any stage and exercise it when they lack fund or political change in the policy of donor agencies. On the other hands the beneficiary communities are kept out of all stages of the planning process. These asymmetries of role, control and power in decision making is the main cause of distrust that affects development process.

3. Social Capital and Creative Economy

The participatory development process for creative economy requires a trustworthy relation with the government and the civil society organizations. No economic development can flourish in the situation of wider social distrust. Therefore social capital is an essential resource of development. In the process of participatory development the social capital facilitates to increase the efficiency of physical and human resources because it facilitates collective actions by lowering the transaction cost of transferring the rights. The exchange of resources leads to prosperity. However, when the exchange of resources takes place there appear chance of rent seeking behavior and free riding. Imperfect contracts lead to chance of shirking. Chance of rent seeking behavior, free riding and shirking obstructs exchange of resources. Coleman (1990) divides resources of development into three categories i.e., hard capital, human capital and social capital. Hard capital and human capital can be transferred and the right to use in case of both capitals can be effectively and exclusively defined. In this sense the hard capital and human capital can be considered as property on which exclusive property rights known as ownership can be defined. The exchange of resources is a type of collective action. In general terms, transfer of right to control one's actions to other persons takes place through transfer of rights to use hard and human capital.

However, the social capital cannot be transferred in the same fashion as physical and human capital. Unlike the other two resources, social capital exists within the relationship and it cannot belong to one person. Unlike physical and human capital, it does not function by exchange through ownership rights, but it works by facilitation of transfer of right to control one's action from one person to another. In other words social capital facilitates collective actions through influencing incentives and motivation. This affects efficiency of personal behavior and the outcome at societal level. How efficiently the hard capital is used, depends on human capital. The efficiency of human capital depends on social capital.

Trust is one good example of social capital. Under situations where the rent seeking is possible, trustful relationships facilitate cooperative behavior without paying monitoring cost. Trust, in more general, the social capital lower the transaction cost thus facilitating collective actions. Referring to eighteenth century Scottish philosopher David Hume, Putnam (1993, p. 163-164) mentions that in the absence of a credible mutual commitment, each individual has an incentive to defect and become a free rider. Trust is therefore essential for cooperation. Gambetta (1988) argues the verifiable and enforceable commitments are necessary for cooperative actions but the societies, which heavily rely on the use of force, are likely to be less efficient, more costly, and more unpleasant than those where trust is maintained by other means.

Lowering the transaction cost helps to flourish the creative economy through extended volunteer cooperation between business groups and creative communities that understand and value their cultural assets. Volunteer cooperation is easier in a community that inherits a substantial stock of social capital. A group whose members manifest trustworthiness and place extensive trust in one another will be able to accomplish much more than a comparable group lacking that trustworthiness and trust (Coleman, 1990). Social capital is based in social structural relations through which allocation of rights to control actions take

place. In communities with high stock of social capital the trust, honesty, law abidingness, cooperation, fair dealing and readiness to follow high standards are common features to observe. In short, the function of social capital is to facilitate collective actions through influencing incentives/ motivation, thus affecting efficiency of personal behavior and the outcome at societal level.

Without trust, the transfer of rights and control and exchange of resources is not possible and social capital plays facilitating function in this process. This is why accumulation of hard capital does not necessarily contribute to development. Human resource development through education, capacity building and learning to read and write does not lead to development since the efficiency of capital use remains low without collective utilization through collective actions.

4. Possibility of Breaking the Vicious Circle of Distrust and Underdevelopment

a. *Intervention of External Agents of Development*
There are much frustration from the scholars and practitioners who are concerned with the development in low trust society and new approaches are being explored. How the state institutions can establish trustworthiness so that other actors can believe that state officials will honor their commitments. These ideas can be classified by two dimensions: 1) whether the effects of state intervention are positive or negative, and 2) whether local civil society possesses the capability to create trust or not.

The proponents of alternative development have differently viewed the function of social capital. For instance, Ostrom (1990) considers the formation of rules through norms as most important functions of social capital for allocation of resources. Ostrom has documented the cases of water irrigation in traditional communities based on shared norms and pattern of reciprocity through which they can solve the problems of common pool resources. She named these shared norms as social capital through which communities can build institutional arrangements for solving the CPR problems through collective actions. Ostrom's model considers external agents of development as a threat to local development institutions and it is much dependent of capacity of local communities to craft institutions through social norms.   This model works for small-scale development issues where communities have been living together for long time facing similar kind of problem and they trust each other while transferring their rights to control the decision. Communities with high stock of social capital can easily establish social interaction with external agents of development to utilize locally available physical and human capital. Social capital in the form of social trust increases the optimal utilization of physical and human resources. This model relies on self-reliant capacity to craft institutions but self-reliant capacity to craft institutions is derived from social capital. In other words this model works through inherited stock of social capital, but this does not provide sufficient ground to solve development problems of similar nature in low trust situation where social capital is also very low.

Friedmann criticizes that working with norms of reciprocity and trust is not enough to bring development.   In his view *when communities take part in moral economy based on reciprocity and trust, they can do wrong because many social conflicts can appear within the community… the conflicts of community cannot be contained locally; they can spillover into regional and national policies*. He, therefore, insists on the role of politics.

b. *State Intervention and Korten's Third Generation Approach*
The shortcomings of state intervention have been well recognized by researchers like Korten (1986) and Friedmann (1996).   They have proposed different models of alternative development to overcome the shortcomings of self-organized collective actions and state-led participatory development.   Korten regards state intervention as detrimental to locality

specify actions. He does not rely on self-reliant capacity of communities to craft intuition. He introduces intervention of private voluntary organizations (PVOs) as alternate to state intervention. Korten proposes radical role of private volunteer organizations to minimize the reliance on the government agencies. He describes three generations of private development actions. The first generation PVO is *Relief and Welfare* that includes international charitable organizations and heavily relies on the private contributions to deliver welfare services to the poor in the world. The second generation PVO is *Small-Scale Local Development*. This generation of individuals and organizations considers that sustainable improvements in the lives of the poor depend on increasing their capacity to meet their own needs with their own resources. These PVOs undertake development of program capabilities to promote and fund local development activities to promote local self-reliance. Some PVOs perceive that government is incompetent and they avoid or bypass government agencies whereas some government agencies discourage these PVOs and try to control their programs and fear that independently created local organizations might represent competing political interests. The third generation PVO is *Sustainable Systems Development organizations,* which consider that the sustaining the outcomes of self-reliant village development initiatives depends on systems of effectively linked local public and private organizations, which integrate local initiatives into supportive national development systems.

According to Korten, *PVOs can assume a catalyst role by involving collaboration with government, and a wide range of other institution, both public and private, to put into place new policies and institutional linkages that enable self-sustaining local private initiatives.* Korten considers that the mobilization of local resources through locality specific actions is the appropriate strategy with wider role of third generation PVO as sustainable systems development organizations. But the PVO-led approach of participatory development is not different from government-led approach in terms of inequalities and asymmetries because at one side communities are expected to extend volunteer cooperation while the PVOs retain the 'right to exit' from the project at any stage.

Mentioning the limitations of working with PVOs, Fukuyama states that local organizations established by external agents of development have little durability once outside funding dry up. Ostrom (1995) also warns about the damage that external agents may cause to the social capital of traditional communities and argues that *if external agents of change do not expect that villagers in developing countries have effective ways of relating to one another, they may easily destroy social capital without knowing what they have done.* Ostrom rightly concludes that if the external agents of change do not take into account the delicate balance of interest embedded in social capital, when investing in physical capital, the institutions that are slowly developed through many years of tough bargaining and trial and error processes may be quickly destroyed by insensitive overemphasis on physical technologies. If trust does not exist, PVOs cannot work. This situation ends up in vicious circle again due to this trap.

c. Institutionalist Assumptions and the Possibility to break Vicious Circle
Different from the other two approaches, i.e. self-organized strategy and external agents strategy, the institutionalist assumption provides possibility of positive intervention. Friedmann argues that if conflicts exist in the community, it cannot solely rely on self-reliant capacity of crafting institutions, state intervention is necessary. In Friedmann's idea the 'strong state' is a decentralized state, which creates local and regional political space that allows solving issues of social integration and appropriate economic growth through political means of negotiation instead of bureaucratic fiat and blind imposition.

Friedmann supports strong role of government for essential social reforms through an environment of decentralized powers. There are two problems in his proposal. He just says

that state intervention is necessary but does not provide solution how state intervention can produce positive circle of generating trust. The second is that he does not suppose trustful relationship among state and community. He proposes that positive intervention can be realized only through political take over by the unprivileged. In low trust situation the decentralized system cannot ensure the efficiency of participatory development unless justified role, power and control in decision-making is granted to the beneficiary communities. For successful participatory development, check and balance to control the 'right to exit' is necessary.

Recently, Institutionalist theory of trust is explored. Their assumption is that state intervention can regulate both positively and negatively. Their research question is that on what condition political institutions can create trust. Tentatively they confirm that fairness, transparency and accountability are crucial factors. In the situation of asymmetry of power, how fairness, transparency and accountability can be realized remains unanswered. But the possibility to break the vicious circle of distrust lies most probably along the line of institutionalist assumptions. As one of these lines, equitable partnership model is positioned.

5. Contingency Framework of Evaluation

The assumptions of three strategies are identified in above section. Each proclaimed their effectiveness based on corresponding assumptions with some evidences collected through case studies. The primary purpose of this study is to find out which strategy is effective to break the vicious circle of distrust. In particular, the effectiveness of equitable partnership model is to be made clear. However, it is necessary to explain integratively the conflicting evidence, which support the other strategies. In this section, the contingency framework of evaluation is proposed. By introducing 'trust situation' and 'scale of project' as two contingent variables and conflicting propositions and evidences can be explained integratively.

a. Basic Structure of Contingency Framework of Evaluation
Contingency theory was developed for evaluating and explaining the performance of organization. It was introduced to solve the two opposing views about the performance of mechanistic bureaucratic structure and organic decentralized structure[iii]. Contrary to the orthodox theory, which assets that there exists one universally superior organizational structure, contingency theory presupposes that the one structure performs well in one situation but not in other situation. To testify this hypothesis, three different variables have to be introduced and measured. These are structural variables, performance variables, and contingent variables. Contingent variables intervene the performance of structural variables. This contingency framework is applied to evaluate the development strategies. In the following subsections, contingent variables are hypothetically introduced, which enable the integrative explanation. And then evaluation criteria to measure the performance of the developmental strategies are made clear.
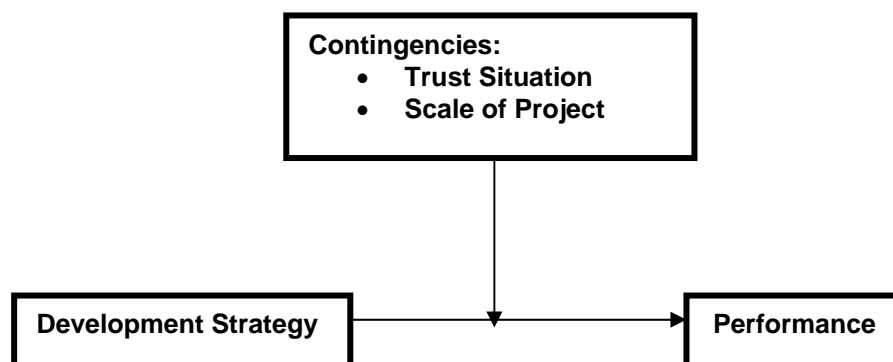

Figure 2: Contingency framework of evaluation for development strategy

b. Trust Situation and Scale of Project

The problem of Putnam and Fukuyama, the social account trust theorists, is that they deny the possibility of institutional intervention to create trust. In addition to that, simple dichotomies of society into high and low trust society is another problem. The dichotomies create wrong impression about communities in low trust situation that they are too vulnerable and too incapable to solve its own problems.

Among societies, which had not succeeded in modernization, there are many sound communities which tackle communally with a high civic mind, although limited within a community. Ostrom's study highlights the self-organizing capacity of traditional communities to manage common property resources in a sustainable way. Ostrom does not think her approach can apply only for traditional communities. Sakano and Dohmen (2002) show that a liberated community located in Tokyo can observe self-organize collective choice. But Ostrom's account cannot automatically extend to the society at large, it is limited to close-knitted communities. Mutual trust within a family and a community cannot always extend across the community and to the external agents of development e.g. state, foreign NGOs, especially in the case if their religious and cultural background is different. This is a typical phenomenon, which Fukuyama characterizes as low trust society. So Fukuyama underestimates and Ostrom overestimates the capability of self-organized collective actions.

To treat trust as a social capital, trust means generalized trust. But how general is the matter of the degree. It is not appropriate to simply divide into high and low trust. The generality has two dimensions: in what situation and with whom. With a certain person or any situation, trust is general. Also in a certain situation with any person, trust is also general. In the context of development, as many participatory proponents write, local community is the base of collective power. Availability of 'intra-community trust' is important dimension of trust situation. However, when scale of the project becomes large, there is need of external resources, mutual trust should be established among the community and external agents (other community, local, state government, international donor agencies, NGOs). As shown in figure 3, there are four typologies of trust situation by the combination of the dimensions.
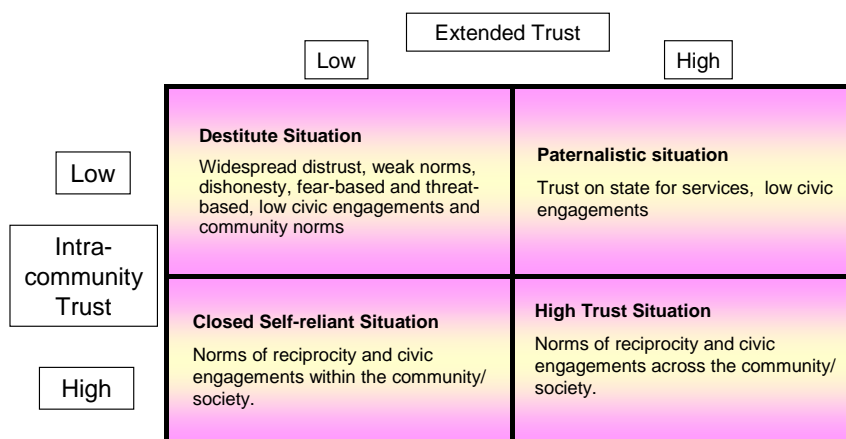

Figure 3: Typology of Trust Situation

i. Destitute situation (low intra-community trust and low extended trust)

In case both of intra-community and extended trusts are low, there are widespread distrust, weak norms and dishonesty among community and between the community and external agents. Social interaction is fear-based and threat-based with suspicions and

mistrust. The level of civic engagement is low. Therefore their collective power is the lowest in the four trust situations we call this situation as destitute. But because of the distrust between privileged and the unprivileged, weak collective power, state intervention is superficial there. Destitute slums are typical examples of this situation.

(ii). Closed Self-reliant situation (high intra-community trust and low extended trust)

In this case, the intra-community trust is high while extended trust remains low, we call this situation as closed self-reliant. The existence of intra-community trust means high volunteer cooperation, norms of reciprocity, and the civic engagement. But this trustful relationship is closed within the community and not extends across the community and to the external agents. Communities to be characterized under this trust situation are equipped with the capabilities to solve small-scale problems at community level through collective actions. In this sense, a community is closed self-reliant. Well-organized traditional community is an example of this situation.

(iii). Paternalistic Situation (low intra-community trust and high extended trust)

In this case the intra-community trust is low while extended trust is high, we call this situation as paternalistic. When modernization proceeded, community interactions were broken and life became more individualized and intra-community has been devastating. Instead of community, people strengthened their trust on state governments for public services. Under the trustful state guardian, people concentrate on privatized life. Consequently, the level of civic engagement is low. Because of this guardian type of trustful relationship between the people and the state, the situation is called paternalistic. The collective problem solving capability is higher than self-reliant community since it can organize necessary resources at larger scale. This situation corresponds the concept of welfare state. As many recent writers pointed out, new welfare state faces the serious problems of inefficiency cause by rent-seeking behavior of large and centralized bureaucracy.

(iv)High Trust Situation (high intra-community trust and high extended trust)

In case both of intra-community and extended trust are high, we call this situation as high trust. This situation is close to the high trust society defined by Fukuyama and high civic society as defined by Putnam, which is characterized by norms of reciprocity and network of civic engagement. Because the availability of these social capital within and across the communities, volunteer cooperation for problem solving becomes prevalent and less reliance on the state. Thus decentralized government can work in this situation, that's why we call this situation as high trust. As discussed in earlier sections, Fukuyama considers that high trust situation is a cultural artifact, which has been existed for a historically long period, for example high trust developed countries were high trust societies before the modernization and have been high trust till now and also there are low trust developed countries. However, as we discussed, his dichotomy is simple, which cannot explain properly the difference of developed countries and less developed countries. Moreover, even in the less developed countries, which are classified as low trust, civic movements are now spreading. In the framework of this study, the trust situation can be shifted according to the stage of development. If we position the situation in one dimensional degree of trust, we can roughly rank destitute situation as the lowest, closed self-reliant as the secondly lowest, paternalistic as the third and high trust as the highest.

6. Development Strategies and relevant Case Studies in Pakistan

In the light of above discussion, the development strategies observed in Pakistan can be divided in three categories. In this section the major findings from the case studies with corresponding development strategies are being summarized.

Table 1. Development strategy and relevant case studies in Pakistan

Development Strategy	Relevant Case Studies from Pakistan
Self-organization strategy	(i) Case of Orangi Pilot Project (OPP), Karachi Pakistan
External Agent Strategy	(ii). Case of OPP as PVO model (UNCSH, ADB, World Bank, UNICEF funded projects) (iii). Case of Kasur Tanneries Pollution Control Project (KTPCP) as Public Private Partnerships Model (UNIDO/UNDP funded project)
Equitable Partnerships Strategy	(iv). Case of Faisalabad Area Upgrading Project (FAUP) as Equitable Partnerships model (UK funding Project in Faisalabad)

The case of *self-organized collective actions* for the construction of underground sanitation system in Orangi Town reflects that the communities can initiate self-organized collective actions in closed self-reliant situation of trust where communities possess high intra-community social trust. The case of self-supervised work in Orangi town also shows that self-financing and direct supervision by local communities can reduce monitoring cost. However this strategy is limited to intra-community scale problems that could be solved within locally available resources of development. To deal with inter-community problems the intervention of external agents is required.

The case of intervention of *external agent* of development e.g. UNCHS in Orangi Town demonstrates that only the influx of hard capital and human capital from external agents is not enough for local initiatives of participatory development. If a trustworthy relationship is not established with the local communities, intervention of external agents can negatively affect the potential of self-organization of local communities even if the communities are self-reliant. The role of OPP as a local NGO in Orangi Town was much productive to provide social and technical support as long as it maintained its roots in local communities. Once it became consultant of external agents to mobilize local communities, OPP also exercised the 'right to exit' from the project considering its own risks and benefits.

The external intervention strategy in the case of urban sanitation project funded by ADB, World Bank, and UNICEF on the principle of 'internal-external' development could not success to establish trustworthiness in collaborations due to unequal share, role and control in participatory development. These cases also show that in the beginning the communities showed high volunteer cooperation for internal development but it gradually declined when government agencies could not complete or maintain the external development. Asymmetrical and unequal collaborations between external agents of development and local communities strengthen vicious circle of distrust.

The case of Kasur Tanneries Pollution Control Project (KTPCP) is an example of typical dilemma of environmental protection in Pakistan that arises due to bureaucratic nature and institutional complexities of government agencies. It demonstrates that the international donor agencies exert influence on the decision-making to change the objectives of the project and tend to hire their selected international consultants and contractors instead of using locally available technical and human resources. This practice increases the cost of the project, increases dependency on external agents and discourages self-direct learning by communities because they are totally excluded from the process of development.

In Kasur, the exclusion of target communities from local development in the name of public private partnerships generated adversarial relationship between government agencies and local communities and accelerated distrust about the role of external agents. The intervention of state and donor agencies in case of KTPCP remains superficial without bringing change in the health improvement or provision of safe drinking water to poor communities.

The *public private partnership* may be suitable for paternalistic trust situation where individualistic communities place high trust on government agencies for provision of services, but this approach could not bring the local communities of Kasur out of the destitute situation of low trust. The environmental infrastructure in industrial cities needs wider participation and socially responsive strategy of implementation for broad socio-economic benefits to poor communities whose economy solely depends on progress of industrial activities. The approach of public private partnerships is solely based on financial sharing of stakeholders for profit maximization and exclusion of local communities from the development process that eventually strengthens distrust between communities and external agents of development.

The case of Faisalabad Area Upgrading Project (FAUP) provides some clues to break the vicious circle of distrust and underdevelopment by establishing equitable partnerships with local communities not only for sharing the risks and benefits of direct investment but also by giving them equitable role and control in all stages of participatory development. In case of FAUP, through establishment of Multipurpose Community Organizations (MPCOs) each household got chance to actively participate in the development process because their right of participation was protected and the 'right to exit' retained by government agencies was controlled through legal contracts and financial sharing schemes that control and monitor the flow of funds. With such control, communities were authorized to check and monitor the fairness, transparency and accountability in the participatory development.

With equal authority in decision-making for local development, members of MPCOs acted as a change agent to get access to the bases of social powers for collective self-empowerment. New leadership emerged from these communities and many members of MPCOs got elected in the local government elections. Large number of MPCOs from FAUP areas also got registered as Citizen Community Board (CCB). CCB is the recognized legal entity as defined in the new institutional reforms for local government under the devolution of power plan given by the present government of General Musharaf in Pakistan.

The case of FAUP provides sound reason to argue that model of equitable partnerships generates trust and confidence among local communities. Equitable share in the role and powers in decision-making and allocation and utilization of resources creates sense of ownership among communities to ensure proper maintenance of the attained facilities and services. The case of FAUP demonstrates that while investing in physical capital, strong human development can be generated through social capacity building that gives empowerment to communities particularly to women. The results of FAUP provide reasoning

to position the equitable partnerships model as an alternative that can facilitate to break the vicious circle of distrust along the line of institutionalist assumptions. The institutional framework of equitable partnerships can facilitate to shift communities from the situation of destitute to higher situation with increased tendency of extended trust.

7. Changing Role of City Planners in Pakistan

With the introduction of District Devolution Plan by the Government of Pakistan, the local development requires active participation of local communities by forming Citizen Community Board (CCB). The organizational structure of planning institutions has been reshaped and Town Planners have been appointed both at Tehsil level and District level. The provincial departments of Urban Planning have been devolved to work under the elected governments at district level. In this new set up, planners have opportunities to work in close contact with the communities through CCB. However since the system is new, it may take several years to establish. The association of City Planners in Pakistan working with regular consultation with ISoCaRP, has established 'Urban Task Force' (UTF) to replicate the model of equitable partnership for the development initiatives in parts of Kasur and Lahore Districts. Action research is being conducted through the 'Urban Development and Environmental Research Center (www.uderc.com) established for this purpose.

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End Notes:

[i] "Empowerment" and "Capacitation" appeared within this context. Both are classified as human capital approach. Although they refer to collective capacity in their definition, the distinction of social capital from human capital is still vague in 70s. For example, Korten (1987) classifies three stages of the evolutionary change of NGO's strategies. The second generational strategy, "building local capacity for self-help", corresponds to human capital. His focus is on the capacity of local community. But the distinction of social capital from human capital is not clear. In later years, Friedmann (1992) distinguishes them by putting an adjective "collective" to "empowerment."

[ii] For the cases of sewerage construction, see Rahman & Sakano (2004).

[iii] For the history of the theory of contingency see Donaldson (1995).