FEDERALISM AND PROVINCIAL AUTONOMY: 
Political and Economic Dimensions under the 
Constitution of Pakistan 1973

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DEPARTMENT OF POLITICS AND INTERNATIONAL RELATIONS
FACULTY OF SOCIAL SCIENCES
INTERNATIONAL ISLAMIC UNIVERSITY ISLAMABAD
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For the Degree Requirements of PhD in Politics and IR

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DECLARATION

I, Muhammad Imran Ashraf, hereby, declare that this Dissertation has been written by me entirely on the basis of my research work under the sincere and kind guidance of my supervisor, Dr. Noor Fatima, Assistant Professor in Politics and International Relations, International Islamic University Islamabad (IIUI). It is further declared that no portion of this research has been submitted by the researcher to any other university or educational institutional before this for the award of degree.

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The thesis titled “FEDERALISM AND PROVINCIAL AUTONOMY: Political and Economic Dimensions under the Constitution of Pakistan 1973” is partial fulfillment of PhD degree in Politics and International Relations. The thesis has been completed under my guidance and supervision by Muhammad Imran Ashraf, Registration No. 40-SS/PHDP&IR/F10, and finally submitted to me on 15th August 2016. I am satisfied with the quality of student’s research work therefore forward this thesis for further process as per IIUI rules and regulations.

Dr. Noor Fatima

Assistant Professor in Politics and IR

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DEDICATION

The Thesis is dedicated to my Teachers, Family and Friends
ACKNOWLEDGMENT

Thanks to Allah Almighty Who provided me with the opportunity to learn and enable me to complete this research; nothing is possible without His Will. To complete a dissertation for accomplishment of PhD degree in Politics and IR was not a trouble-free job for the reason that the material on the subject was sprinkled, consequently, to find and arrange the material was a frantic job. All the people who helped me deserve my appreciation. Scholarly pursuits accompanied by true inspiration and proper setting are a rare combination. I was fortunate to have both during the time of this research has been in preparation. It gives me great contentment to express acknowledgement to my research supervisor Dr. Noor Fatima Assistant Professor in Politics and IR IIUI, whose mature judgment, factual guidance and skills in modern methods of research helped me to complete this dissertation following an appropriate approach.

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ABSTRACT

In Pakistan the extreme centralization of federation resulted in polarization between federation and federating units on the one hand and amongst the units of federation on the other. Though in 1970 in the name of provincial autonomy One Unit was abolished and the provinces were revived, yet provinces were denied their political rights and economic share by the excessive centralization. This extreme centralization of federation in Pakistan also resulted in separation of the largest province from federation in 1971. But even then statesmen of Pakistan failed to get lesson from politically bitter history of separation of East Pakistan just after 24 years of inception of Pakistan as an independent federation on the map of the world. It was in this milieu that the Constitution of 1973 came into concrete reality with the consensus of all political parties within the parliament and provinces. The 1973 constitution, at time of constitutional accord, promised a federal parliamentary political system with greater provincial autonomy in which the fundamental political and economic rights would be ensured. Unfortunately the Constitution of Pakistan 1973 was not executed in complete letter and spirit. The military regimes in Pakistan led to more centralization. It looks strange on political canvas of the democratic Pakistan that on one hand the slogan of greater provincial autonomy has been rising by the central leadership but on the other hand political and economic rights of federating units have been seized or delayed by the extremely centralized federation even today. For instance, the NFC Award has been expired on 30th June 2015 but till May 2016 the 8th NFC Award is pending.
Further there is greater demand of more provinces but federation does not even bother. This portrays greater misbalance between theory and practice on the part of federal character.

A constitutional attempt has been made to correct this misbalance in federal character through Constitution Eighteenth (Amendment) Act, 2010. The statesmen are raising again the slogan of greater provincial autonomy and view Pakistan as participatory federation with vibrant shared ownership of natural resources. It is a contradiction between the said and practiced by the statesmen of Pakistan that with the exception of the Constitution of 1962, all constitutional arrangements including Constitution of 1956 and Constitution of 1973 are principally federal in character therefore in practice a centralized form of government has been prevailing in the country at center. The derailment of democratic and constitutional process again and again further intensified tensions between federation and provinces on the issue of political and economic provincial autonomy and discretionary powers vested in the federal institutions of Pakistan. It is extremely important to investigate the federation-provinces working relations because the Eighteenth Amendment has tried to address all these issues keeping in consideration the polity, historical context and objective conditions of Pakistan. In other words the Eighteenth Amendment constitutionally throws up a Pakistani federalism that learns from experiences of others but is ingrained in the political reality of Pakistan.

The present study on federalism and provincial autonomy is interesting as it not only traces the history of federalism but also shows the diversity of federal arrangements to ensure
guaranteed the provincial autonomy in terms political and economic dimensions. It also studies political and economic dimensions of provincial autonomy in pre and post 18th Amendment context. This study not only investigates federalism and provincial autonomy in the light of political and economic devolution but also reviews implementation process which has been devolved many ministries and functions to provinces after abolishing the Concurrent List. The Amendment has provided ownership and participation to provinces not merely in policy but in the management of natural resources, increased legislative powers of provincial assemblies on fiscal matters including taxation and international borrowing. The institutions of the state and politicians along with civil society have a vital role in managing the conflicts between federation and provinces by creating home grown federalism imbedded in the local polity which can guarantee unity in even diversity.
INTRODUCTION

Pakistan is federation since its inception. Theoretically, federation consolidates its units by evolving sustainable working mechanism not only for its own survival but also for the betterment of provincial units. Contradictory to theoretical foundations of federalism, Pakistan as federation could not evolve such an acceptable framework towards federation-provinces harmony. Consequently, in Pakistan the federation-provinces working relations are under frequent strain with effect from its inception to the moment. The Constitution of 1973, which was initially designed to resolve the center-provinces controversial issues by restoring the autonomous status of provinces, even cannot resolve the center-provinces unsettled political and economic issues because of three reasons. Firstly, the Constitution of 1973 is so complex that both the center and provinces find an opportunity to distinctly interpret the constitutional provisions to own favor by evading constitutional spirit for the political and economic rights of each other. Secondly, the Constitution which was supposed to be the protector of provincial autonomy itself has been giving opportunities to the center to violate provincial autonomy through its amended provisions. Thirdly, the Constitution of 1973 is not being followed and implemented to its true spirit. In-order to support the above three reasons a student of politics keenly observes the instances such as; the rift between center and Sindh province under the Articles 147 and a constitutional threat of federal government to provincial autonomy under Article 145 over Karachi operation, severe reservations of provinces over economic corridor, for the one year, even a single meeting of Council of Common Interests; the only forum to address the provincial issues, has not been convened, Khyber Pakhtunkhwa (KPK) government impugned the federal
government of stealing electricity of KPK on daily basis and 8th NFC Award not likely to be executed before the Fiscal Year 2016-2017 as federal government and provinces have botched to initiate meetings or consultations for more than a year. Therefore this research analyzed the federation-provinces relations on the basis of these three reasons, indeed, to address the unresolved question of political and economic autonomy of the provinces under the larger frame of the Constitution of Pakistan 1973.

Pakistan is a federation having plural culture in its units. Its units are polyglot and multi-ethnic. The engrained constituents of polyglot culture of federation; Punjabi, Sindhi, Pathan, Baluchi, and Bengali up till 1971, can very easily be traced in respective units. The political leadership has frequently been intensifying multi-lingual and multi-ethnic diversity into the minds of the people of units in-order to achieve own limited political and economic interests. This weakened the ties between the people and federation. Accordingly the immediate allegiances of people incline towards federating units rather than federation. With this background of cultural pluralism the federation-provinces relations in Pakistan have always been multifarious since its creation. Theoretically federal government is an integrative organization and taken very effective device for upholding diversity within supplementary political structures (provinces). But unfortunately federalism in Pakistan could not demonstrate to be a magnet for its sub-national units (provinces) because provinces have been striving for political and economic autonomy since long.

It is political reality that Muslims of subcontinent demanded federal structure in united India to run affairs of state. Such demand was made for a consociational regime
which could address minority concerns in a democratic federation. The federal
governmental system was devised under Act of 1935 in which provinces were given a
defined subjects’ list to deal with. This development was better as compared to previous
system of diarchy which was presented in Government of India Act 1919. Afterward, the
resolution of Pakistan adopted by All India Muslim League in 1940 had too argued for
greater role of provinces in system of governance. After conception Pakistan as an
independent state the notion of integration of units as one nation substantiated a move in
the direction of federal structure with unitary-type features. Primarily, the amended Act of
1935 was taken as operational constitution in Pakistan while original constitutional
document of Pakistan was framed by 1956 and for only two years remained in practice.
This was federal in character similar to succeeding constitution of Pakistan 1962.
Unfortunately, federal constitutional arrangements could not prevent the political and
economic crevices appeared in 1971 which ended in separation of East Pakistan forming a
new country; Bangladesh on December 16, 1971. It is thought even today that if there had
been a consociational regime in practice to address political and economic misgivings of
provinces in bureaucratic and military institutional arrangements, the federal system could
clutch together the two wings of Pakistan i.e. East and West in 1971. The incident of
disintegration of Pakistan clearly indicated that federal-provincial relations are established
on fragile footings since long. Disappointingly, the problem with federation-provinces
relations subsists even today thirty-five years after disintegration of Pakistan. It is need of
the time that issue of provincial autonomy must be addressed to reduce political and
economic tensions between federation and units.
The Constitution of Pakistan 1973 too envisioned federal state system but delegated additional political (administrative) and financial powers to provinces contrasting to preceding constitutional documents. After Eighteenth Amendment (2010) to the Constitution of Pakistan 1973 the debate over federation-provinces relations has gained an imperative place once again among the scholars of political science and economics, particularly for political and economic autonomy at provincial level. Because 18th Constitutional Amendment evolved frail political and economic devolution mechanism which has wide ranging impacts on federation-provinces working relations that has been a problem since creation of Pakistan. It was expected at the time of approval of 18th Amendment to the Constitution of 1973 that it will play a pivotal role in creating democratic federation that could address political and economic issues of provinces in an appropriate way. The amendment brought about to resolve political and economic hurdles existing in the way of provincial autonomy. However, a righteous approach is required to implement the commitments made under the Eighteenth Amendment 2010 in-order to institute consociational regime so that inadequacy of majoritarian decision-making could not affect adversely the political and economic relations between federation and provinces. By means of discovering the disputes connected with political as well as economic independence of provinces under federalism in Pakistan, the in-hand study has not only explored but answered critical question pertaining to federation-provinces working relations under the Constitution of Pakistan 1973.

**Problem Statement:** With the background of fragile federalism in Pakistan, the federation-provinces *Conflictual Working Relations* corresponding to political and
economic constitutional framework of 1973 get intensified with the intensification of challenges to provincial autonomy, and this ultimately higher the intimidation to strength of federalism in Pakistan.

**Hypothesis**

The provisions in the constitution of Pakistan 1973 lower the probability of conventional conflict between federation and provinces provided that political and economic autonomy is ensured to provinces. Therefore; *the higher the provincial autonomy, the lower the federation-provinces conventional conflict and intimidation to strength of federalism in Pakistan.*

**Research Objectives**

The objectives of this research are clear and consistent.

1. To explore political and economic impact of provisions and amendments to the Constitution of Pakistan 1973 on federation-provinces working relations (federalism) and provincial autonomy.

2. To persuade federal and provincial governments, by analyzing the historical manifestations, for willfully enactment of effective parliamentary legislation in-order to achieve uncompromised level of provincial autonomy.

3. To probe into the nature and intensity of challenges that provinces faced due to extreme centralized federalism prior to 18th amendment.
4. To analyze post-18th amendment basis and range of political and economic conflict between federation-provinces working relations in Pakistan.

5. To intend a coherent strategy by chalking out medium-term and long-term political and economic frameworks in-order to evade from traditional federation-provinces confrontation and to promote harmony in the federation-provinces working relations.

**Research Questions**

In the light of one clear objectives, this research also addresses some very important questions that:

1. What is political and economic impact of provisions and amendments to the Constitution of Pakistan 1973 on federation-provinces working relations (federalism) and provincial Autonomy?

2. How historical manifestations have potential to persuade federal and provincial governments for willfully enactment of effective parliamentary legislation in-order to achieve uncompromised level of provincial autonomy?

3. What was the nature and intensity of challenges which provinces confront due to extreme centralized federalism prior to 18th amendment?

4. To what extent the federalism served as the basis of political and economic conflict between federation-provinces working relations in post 18th amendment period?

5. What are the required medium-term and long-term political and economic frameworks for a coherent strategy in-order to evade from traditional federation-
provinces confrontation and to promote harmony in the federation-provinces working relations?

**Need, Innovation Significance and Scope of Study:**

As for the need of this research is concerned, it is very important to study federalism and provincial autonomy particularly after 18th amendment in-order to review the federation-provinces political and economic relations in Pakistan. The 18th amendment no doubt holds extensive impact over federal and provincial governments in Pakistan because it has brought about substantial constitutional through modifications in 102 Articles of 1973 constitution, 47 decisive subjects and 18 Federal Ministries have been decentralized to provincial governments.

The innovation of this research is that this study does not remain limited to only highlighting the political and economic conflict between federation and provinces in Pakistan. But it proposes an appropriate and coherent strategy for conflict management in the view of historical experience under extreme centralized federalism. This study evolves practicable devolution mechanism for provincial autonomy to evade from traditional federation-provinces confrontation and to get desired outcomes from constitutional provisions with regards to provincial autonomy.

It is significant to study federalism and provincial autonomy because in Pakistan the conventional approach of federalism prevails even in the twenty-first century and advocates that it is the federation rather than the federating units that matter. This approach
is deep-rooted in such a fashion that even after 70 years of Pakistan's existence the federal system does not produce authorized data of provincial investment, saving and GDP. After eighteenth constitutional amendment analyses of economic development in Pakistan have drawn attention towards policy issues that confront the different provinces in-terms of devolution mechanism for provincial autonomy. The aforementioned breaches have only been filled to some extent by the efforts of researchers and international institutions through reports and informal debates. It is necessary to carry out relevant studies at the provincial level. It is important after 18th amendment to discuss policies to address question of provincial autonomy by developing a proper devolution mechanism in-order to transfer political and fiscal powers to provinces in Pakistan.

Academically this research contributes to the literature on federation-provinces relations in Pakistan. Further this research is useful for the students of the political economy for its clarity in concepts and ability to develop understanding about the wide ranging subjects. Practically this research contributes to subsequent governments and opposition to understand the political environment that leads to federation-provinces stress. It has significant implications for political parties to comprehend rationale of fiscal devolution mechanism while legislation is in process. It is useful for political scientists, economists and statesmen in-order to study impact of parliamentary legislation on the future political settings of Pakistan.

The study is absolutely clear in its scope. This research explores not only the relationship between federation-provinces relations but critically evaluates the performance
of institutions which are responsible to implement the altered clauses of the constitution 1973 in true spirit to achieve provincial autonomy. Ultimately, political and economic devolution mechanism for provincial autonomy under constitution of Pakistan 1973 with its amended articles, data from the National Economic Council (NEC), Council of Common Interest (CCI), Pakistan Economic Commission (PEC) and National Finance Commission (NFC) awards remain within the domain of this study. Further, federal and provincial economic indicators, collection of tax, and borrowing at provincial level are also concerns of this study. The present study outlines the changing aspects of federalism in Pakistan under continual constitutional arrangements which were put in-place to treat political and economic challenges to provincial autonomy. The study traces the reasons of bitter center-province relations in political and economic dimensions. It further discusses recent initiatives in Baluchistan and Gilgit-Baltistan, Baluchistan and Karachi. Also, it analyzes the 18th amendment to the constitution of 1973 as a milestone on the course of development of federalism in true spirit in the country, besides its political and economic fallout.

**Research Methodology**

This research becomes operational under clear methodological design and framework supported by consociational theory. The primary sources of relevant data are the documents pertaining to the constitutions of Pakistan 1956, 1962 and 1973. Primary data is also collected from the archives of parliamentary legislations. Secondary sources are too employed and the relevant data has collected from appropriate books, articles,
reports etc. The required data is collected from the record of PEC, CCI, NFC and NEC. This research is historical, exploratory, descriptive and analytical in its nature and type. Mix-method research design (Creswell, J.W. 2009)\(^1\) is applied to this research. For this, contents of the relevant documents and the Constitution of Pakistan 1973 are analyzed. Analytical, descriptive and qualitative approach is employed to this research. Exploratory research method is applied to this research consequently first qualitative data and then quantitative data collected.

In-order to explore the theme, this study is divided into seven chapters. The first chapter is about the concepts of federalism and provincial autonomy. The concepts, drawn from a variety of literature, show that political and economic dimensions of federalism and provincial autonomy have been under frequent debate in Pakistan where plural society with ethnically diverse units are present.

The second chapter explores literature review and theoretical orientation. The issue of power sharing and territorial self-governance has been generalized under consociational theory of conflict management. This chapter further narrates political and economic dimensions of federalism and provincial autonomy in particular context of Pakistan under consociational theoretical framework. It shows that federalism and consociationalism are commonly supportive arrangements and in plural societies provide glue to hold federating units together. This chapter shares insights on the fact that how consociationalism has been

a very successful case to create federalism a viable choice for governance. Accordingly, experiences of different federations of the world have also been brought into discussion under consociational theory of conflict management.

The third chapter describes the history of federalism and provincial autonomy in Pakistan as rooted in different Acts and constitutions together with amendments to the Constitution of 1973. It discusses about the costs paid by Pakistan due to multifarious working relations between federal and provincial arrangements. This chapter explores that how far the federalism remained successful or unsuccessful in Pakistan to create a sense of satisfaction for Federating Units in-terms of political and economic share. It further uncovers those chronological reasons due to which Pakistan could not create a consociational structure to accommodate the voices of ignored units into the mainstream political settings.

The fourth and fifth chapters revolve around political and economic dimensions of federalism and provincial autonomy under the Constitution of Pakistan 1973. The Chapter four deals with the issues prior to eighteenth constitutional amendment whereas chapter five deals with post eighteenth amendment political and economic dimensions of provincial autonomy under the Constitution of Pakistan 1973. Political dimensions of provincial autonomy refer to devolution of political power in terms of; legislative, executive or administrative and judicial powers. Whereas economic dimensions deal with devolution of economic power which includes; taxation power, borrowing power (domestic and International loans) and power embedded with production and consumption of goods and
services. This section further digs into the issues of federalism and provincial autonomy embedded with different Acts and amendments to the Constitution of Pakistan 1973, because provincial autonomy in true letter and spirit was promised to be ensured in the Constitution of 1973. The constitution had appeared with the tendency that egalitarian regime under federalism with full provincial autonomy would be guaranteed in Pakistan. Thus, the fourth and fifth chapters deal with federation-provinces relations, identity and conflict in political and economic dimensions. In Pakistan under federalism the highly centralized power structure results into provincial disparity. At present Pakistani federation is far from any extreme vulnerability of trailing character shared with its units but in case problems associated with regional gaps left unresolved it may take a secessionist passage at provincial level. It further discusses that to which extent it is needed for even survival of constitution of Pakistan 1973 to carry federating units under consociational regime so neglected demands of smaller provinces are addressed and get the people into mainstream politics. It further analyzes that how for the sincere efforts through alterations to constitution of 1973 have yet been made through different governmental regimes to rectify the damages paid by provinces for not having promised level of provincial autonomy.

The sixth chapter encompasses problems of evolved political and economic mechanism of power sharing for provincial autonomy in Pakistan under the constitution of 1973. It further proposes the required power sharing mechanism for remedies of problems in-order to reach the maximum level of provincial autonomy in Pakistan. This chapter highlights post eighteenth amendment political and economic Issues, legislative crevices, challenges and solutions for provinces to achieve maximum level of provincial autonomy.
under strong federalism. It espouses the promises, powers and practices under the 18th Amendment Act 2010. It analyzes those constitutional provisions which are creating demand for consociational regimes to protect the political and economic rights of provinces. This is a time when the neglected provincial sentiments shall be accommodated by adopting a better approach to let federation be strengthened in Pakistan.

While concluding the overall theme some appropriate recommendations have been forwarded to achieve uncompromised level of provincial autonomy. The overall message of the research is that the provisions in the constitution of Pakistan 1973 lower the probability of conventional conflict between federation and provinces provided that political and economic autonomy is ensured for provinces. Therefore it concludes that the higher the provincial autonomy the lower the intimidation to strength of federation of Pakistan. Federalism is indispensable in multicultural societies like Pakistan but simultaneously a strong consociationalism is needed to facilitate units to be mainstreamed in decision-making processes. By this way a sense of harmoniously existed multiple units flourish under strong federal structure. In the final analysis Pakistan needs to go beyond the federal centralization in-terms of political and economic power sharing with provinces in-order to avoid federation-province conflict and reach promised level of political and economic provincial autonomy under the Constitution of Pakistan 1973.
Chapter 1

FEDERALISM AND PROVINCIAL AUTONOMY:
Concepts and Relationship Building

The first chapter deals with concepts and relationship building over federalism and provincial autonomy, the major area of this study. In this chapter the under discussion themes are; federalism as a system, political and economic scope of federalism, modes of
federalism, essential components of devolution plan for provincial autonomy, apparatus for political and economic devolution mechanism for provincial autonomy.

In Pakistan governmental system is working under three tiers; federal, provincial and district government. Pakistan is a state with very strong federal government where its resources and functions are shared by its subunits as well. Because of certain issues associated with efficiency and distribution, the resource sharing mechanism continuously remained debatable between federation and provinces in Pakistan (Rehman, 2010). In the contemporary egalitarian world 28 countries across the globe are practicing federalism. It is more than forty percent of population throughout the world lives within federations. Among these federations few are Australia, Brazil, Argentina, Canada Germany, Ethiopia, Iraq, India, Spain, South Venezuela, Africa, United States of America and Pakistan. The federalism, as a form of government, has two operational dimensions; political and economic (Nazir, 2008). Therefore federation only can enjoy absolute vigor if its units are given political and economic autonomy under a constitutional mandate. But in Pakistan in 1954 Malik Ghulam Muhammad the Governor General dissolved constituent assembly without constitutional mandate. It disturbed the provincial political activity as well that further led to instability in the political and economic systems. Further this fact cannot be denied that at least there are two fundamental requirements for a federation in order to play pivotal role while uniting the provinces. One is sovereignty of the constitution and second is appropriated evolution of political and economic powers and resources to units of federation. Unfortunately in Pakistan, less or more, but definitely these two important pre-
conditions have consistently been sabotaged (PILDAT, 2003). That’s why federation-provinces relations remained politically and economically under stress.

It is a concrete reality that political and economic independence of units of any federation is protected by constitution of particular state. But Pakistan, unfortunately, has fragile history of constitution making as Pakistan parliament had spent almost nine years in framing the first constitution that was abrogated in 1958. It took four years in framing second constitution of 1962. The constitutions of 1956 and 1962 were abrogated because the provinces being neglected politically and economically in unicameral legislature had no interest. Particularly, the principles of adult franchise and one man one vote were dishonored by constitution of 1962. It articulated an inconsistent federation with highly centralized system at federal level having legislature with one house only. This was the source of dissatisfaction for provinces as they had no representative house separately at federal level. This excessive centralization of federation in Pakistan resulted in the largest province separating from federation. Although One Unit was abolished and provinces were invigorated, yet provinces were deprived of their political and economic privileges. This sense of provincial deprivation over political and economic rights fashioned polarization not between federation and its units but across the provinces as well. With this background Constitution of Pakistan 1973 was framed by obtaining consent from not only mainstream political parties but from other stake holders as well. The constitution of 1973 initially committed parliamentary federal system bearing uncompromised provincial autonomy. In other words political and economic share of provinces was guaranteed (Abbasi, 2010).
Pakistan’s central and provincial political leadership remained unsuccessful to learn from tragic incident of disintegration of federation in 1971 due to excessive centralized role of federalism. Unfortunately the Constitution of 1973 has not yet been implemented in true essence and governments at large either led to further centralization or do not follow the existing design of decentralization. This created misbalance in federal structure which has been corrected through 18th Amendment Act, 2010.

Now after 18th constitutional amendment Pakistan is a participatory federation where federation and provinces jointly share ownership of natural resources. Politically speaking, except constitution of 1962 the entire constitutional engagements; Act of 1935, constitutions of 1956 and 1973 predominantly are federal and highly centralized therefore practically an extreme centralized type of governmental system has been prevailing in federation. In Pakistan repeatedly derailed egalitarian and constitutional process intensified rigidities over subject of provincial autonomy and federalism pertaining to powers of federal government conferred with president’s office. The 18th amendment attempted to resolve all such federation-provinces disputes by viewing constitutional and democratic history, political entity and objective conditions of Pakistan. 18th constitutional modification, in other words, put great effort to transform traditional federalist approach in Pakistan. But it is still ingrained as a political reality in Pakistan (Abbasi, 2010, p, xiv).

The study in hand is significant because it not only critically analyses the federalism within historic perspective but uncovers the diverse and dual principles of federal scheme in Pakistan. This study as well draws attention towards political and economic problems
and techniques of managing these problems regarding federation-provinces relations. It is not only the study of history of federalism and provincial autonomy but an effort to propose a design to achieve maximum political and economic autonomy for provinces. While studying the political and economic dimensions of the constitution of Pakistan 1973, it examines the 18th Constitutional Amendment in the light of devolution in terms of functions, liabilities and resources. Further this study examines the process that has been evolved to decentralize various Ministries besides the functions devolved to federating units by repealing the Concurrent Legislative List (Constitution, 1973). The 18th amendment came up with constitutional provisions altered to bring the joint ownership of federation and units in not only policy making process but in managing the natural resources as well. The amendment has recognized the increased mandate of provincial legislative assemblies by granting powers of legislation on various subjects including taxation.

The focused area of this study is political and economic conflict management stuck between federation-provinces relations in Pakistan under prevailing Constitution of 1973 to reach determined level of provincial autonomy which has been an eminent demand of federating units since the creation of Pakistan. For this purpose the abrogated constitutions of 1956 and 1962 have also been taken as supportive documents in-order to present historical analysis over the phenomenon under study.

1.1 FEDERALISM
Federalism is a framework or system of government in which units of state jointly share political and economic powers, functions and resources in cooperative mode. But agents of ethnic diversity and pluralism attempt to get the people of units away from cooperation (Tamuno, 1998, pp. 13). However in-order to convert the diversity into development; by ensuring the agreed political and economic power and resource sharing formula, the federalism suggests appropriate institutional arrangements. These institutional arrangements not only get the federation strong but support endeavor for autonomy of units by exercising meaningful political actions and increasing political and economic benefits. In this way federalism maintains identity for federal units (Naseer, 2007). Various political scientists claim that federalism is the most appropriate system in which separate political units easily settle differences and disputes, develop solutions, and establish platforms for shared policy actions to resolve joint problems (Ariyo, 2003).

In federalism the participating units must demonstrate an urge to collaborate for shared advantage along with a strong proclivity to preserve sociopolitical, ethnic and regional identity. Further, federal units must provide some space to federal government for actions in political and economic domain. These are complex propositions which can make federating units cohesive as well as reluctant enough to secessionist tendencies. The study of federalism and provincial autonomy is indispensable in states like Pakistan that has actually experienced secession in 1971 (Naseer, 2007).

iii) Federalism as a System: Political and Economic Scope
The term federalism has come from Latin words ‘foedus that in broader sense refers to ‘agreement’. The term foedus denotes contractual and cooperative institutional settlement between federation and its units (provinces) to achieve the democratic and contemporary notion of national security. Thus federalism extends political and economic expansiveness, facilitation and support to federating units in support of fulfilling commitments and obligations towards federation and to one another. Federalism as a system has dominant political and economic scope with definite implications without which it cannot be defined appropriately (Rodden, 2004).

Federalism is predominantly concerned with the notion of developing a manageable system of governance by establishing a well-ordered political and economic arrangement amongst diverse tiers of government in federation. The conception of an accommodative, manageable and agreed power sharing mechanism is the actual test for federalism that could guarantee independence to provinces. In a way, federalism is about devolution of political and economic powers in a well-structured way (Ariyo, 2003). Another body of knowledge contends that a federal political order is the genre of political body that is marked by provision of self-rule and shared rule.

The federalism as theory discusses doctrine of dividing political and economic powers and authority amongst the participating units (provinces). In this wisdom, a federation is composed of a shared government accompanied by a territorial division of political and economic powers between constituent units called provinces. The representation of provinces in policy and law making institutions remains the soul of
federalism. Conversely, exceptions within operating procedures have been observed in theory and practice of federalism in different federations. For instance in Canada units have no power to veto policies of federal government but governments at federal and provincial level are knit within agreed scheme of arrangements, where it is binding over federal government to sign proper pacts with provincial governments getting through a process of bargains. Similarly formal policy-specific multilateral bargaining bodies in Australia, Germany, Russia and Spain include both the states and the federal government. This is particularly true in Australia and Germany (Rodden, 2004).

Federalism has various explanations as discoursed above. However, legitimacy and authority of political arrangements lie at the helm of understanding the concept of federalism. That’s why it denotes a systematic process under which power and authority of a federation has been structured, disseminated and decentralized within center and provinces by a well-defined set of political and economic institutions. This systematic process strives for assistance, cooperation and collaboration from units of federation to take and implement viable political and economic decisions and actions (Rodden, 2004, p. 489). The analysis of doctrine of federalism shows that at the moment Pakistan is not in great endangerment of trailing its character as a federation. But if political and economic disparities will not be addressed at provincial level by the federation it may become very difficult to keep the units attached with federation and it will lead to the failure of federalism, particularly in the case of Baluchistan where secessionist element is present (Abbasi, 2010; Adeney, 2009). Pakistan as federation must develop policy choice to balance the visionary aspirations of its ethnically diverse units. The theory of federalism
suggests that ethnic leadership plays a pivotal role in this regard. The ethnic leadership of provinces and federation mutually decide the nature of federation-provinces association. On conception of a federation an accepted agreement takes place under an agreed constitutional framework between federal government and provinces on political and economic decentralization.

The experience of federalism of different federations reveals that together with the legitimate efforts of provincial and federal governments the question of provincial autonomy will harmoniously be resolved by the determined role of the people of Pakistan living in provincial territories. Because people has to decide whether they are to live in a consociational federation like United States and European Community or they are to go against the consociational regime by following any secessionist movement as is the case in former Yugoslavia (Hurst, 1996).

iv) Modes of Federalism

The federalism has two major modes in which the concept is put in to practice. The first mode is termed as ‘dual federalism’. Under this modality the constitution is designed to create the two separate and self-governing tiers of government. The relationships between federation and units and amongst the units are mediated and the political and economic spheres are explained with clear functional responsibility under an agreed constitutional mandate. Second mode is the ‘cooperative federalism’. This modality brings different governmental tiers of federation under one compatible, acceptable and viable political system. This mode of federalism promotes collaboration and cooperation between
various levels of governments (Ariyo, 2003). Here, various levels of government are characterized more by shared functions and cooperation than by competition and conflict (Ariyo, 2003).

1.2 PROVINCIAL AUTONOMY

Provincial autonomy does not stand for disjointing of units from central government or breach of relations between federation and provinces. But the concept of provincial autonomy under the shadow of clear devolution mechanism delegates some continual errands to provinces to put them hold sustainable political and economic development. Provincial autonomy has two major components; political autonomy and economic autonomy. In other words it deals with the devolution of two-dimensional power, with complete control (autonomy) over necessary procedures and tools for execution of such power, from federation to the provinces under well-built and well defined devolution mechanism:

a) Devolution of Political Power

i) Legislative Power

ii) Executive or Administrative Power

iii) Judicial Power

b) Devolution of Economic Power
i) Taxation power
ii) Borrowing power: domestic and International
iii) Power embedded with production and consumption of goods and services

1.3 FEDERATION-PROVINCES POWER SHARING MECHANISM FOR PROVINCIAL AUTONOMY: Devolution of Political and Economic Power from Federation to Provinces

Functionality the definition of devolution mechanism revolves around the two major constituents or components. One is conception level to outline structure of devolution mechanism and the second is impact or influence of the political and economic environment in which it has to be operated. Procedural techniques, modalities and devices devised for taxation, domestic and international borrowing and fiscal charge determine the functionality of political and economic devolution mechanism. This mechanism for decentralization is planned not only by federal government but also essential political and economic arrangements have been made by provinces under the umbrella of federalism (PILDAT, 2010).

1.3.1 Apparatus for Political and Economic Devolution Mechanism:

Political and economic devolution mechanism involves the following apparatus:
i) Entrustment of political power: diffusion of power to legislatures of sub-national units for indispensable legislation and independent decision making over exclusively provincial fiscal affairs

ii) Structural changes in National Financial Institutions: Amputation of executive or administrative restraints

iii) Transfer of liabilities

iv) Transfer of assets and resources

v) Grants transfer: conditional and unconditional

vi) Endorsement of Services: support of federal government to provincial governments

Taking a closer look at the sources of provincial financing, provinces draw incomes from the following key sources:

i) Provincial equitable share transfer from national government

ii) Conditional grant transfers from national government

iii) Provincial own revenue

iv) Accumulated financing reserves

v) Provincial borrowing: domestic and international
1.4 FEDERALISM AND PROVINCIAL AUTONOMY: CONSTITUTION OF 1973

After disintegration of Pakistan (1971) fresh constitutional accord conscripted and implemented on 14th August 1973 which substituted the pro tem constitution of Pakistan 1972. The 1973 Constitution, however, largely charted the provisions of former constitutional accords of 1956 and 1962 to the degree that at several instances it retained similarity even of language terminology to the constitutional Articles of 1956 and 1962 (Khan, 2010). The 1973 constitution retained federal system of state but distinct to preceding constitutions it formed two-house (bicameral) parliament. The parliament under the constitution of 1973 had senate as upper house for provincial representation with sixty representatives and National Assembly as lower house with two-hundred representatives. The units of federation had equal representation in upper house while in lower house seats were apportioned on the basis of population. Initially, In Senate each federating unit had fourteen senators for four years term whereas half of them got retire after two years. The Constitution of Pakistan 1973, however, is unique as compared with the previous constitutions because it shaped the upper house (Senate) on equivalent basis bearing equivalent members in number from all federation units (provinces) in-order to make the representation of smaller federating units like Baluchistan equivalent to big provinces like Punjab. It was thought that this feature of constitution will give a significant role to Senate towards establishing a system of accountability for federal government (Khan, 2010). Further it had been expected that the problem of ethnic divide on the basis of language will be addressed without creating explicit consociationalism. Therefore, the province Punjab
possessed absolute majority of seats in National Assembly while Urdu declared the only national language however Sindh replaced Urdu with Sindhi (Adeney, 2009).

Initially, constitution of 1973 shaped federal system in Pakistan. The functions were distributed by federal and concurrent lists. The federal list was comprised of 67 subjects whereas the provincial legislatures were given chance to draft laws on subjects given in the concurrent list. However in the case of any political or economic disagreement, as stated by the Article 143, the authority of central government must be supreme and succeed (Kundi and Jahangir, 2002). In order to strengthen federation by resolving federation-provinces political and economic disputes, Council of Common Interest was formed. This CCI was comprised of Chief Ministers of provinces and equal representation from federal government. The council of common interest was to be appointed by President. The CCI had special authority for hearing the grievances with respect to rivers’ water supplies. Moreover, it was obligatory for the Council to frame policies regarding electricity, railways, industrial development and oil and gas (Choudhury, 2005, p. 323; Khan, 2010).

On the date of implementation of 1973 constitution Zulfiqar Ali Bhutto, the prime minister claimed that violence in politics is over now and the provinces were given their due political and economic rights (Khan, 2010). But politically it was very strange that the Bhutto government which itself drafted constitutional document to end political violence and to ensure provincial autonomy showed sentiment for more stronger character of central government which created dissatisfaction within Baluch and Pashtun areas of federating units. Unfortunately, after two days of implementation of constitution of 1973, Chief
Minister and former Governor of Baluchistan accompanied by a member of national assembly were detained by the federal government on charges of corruption and rebellious doings. Similarly, government of National Awami Party of North West Frontier Province was confirmed by federal government incompetent in running affairs of province. Further federal government declared National Awami Party an unlawful party working detrimental to integrity and sovereignty of Pakistan (Khan, 2010). This led not only to the political instability in a province but economic activities in NWFP were also severely affected. This alarming event increased the element of political dissatisfaction within other provinces and amongst the political parties. It shows, though the constitution of Pakistan 1973 was framed and then implemented with full political devotion to get the provinces politically and economically autonomous but impediments had been observed since the initial days of its implementation.

Further, the federal government in the same way tried to put on silence the opposition parties within National Assembly and violated the promise of provincial autonomy (Kundi and Jahangir, 2002; Sayeed, 1980). The state of affairs passed a very serious blow to the federalism and the cost; of nonexistence of political and economic autonomy to provinces, was the Martial Law regime of Zia-Ul-Haq (Military General) who put the 1973 constitution of Pakistan in abeyance for about eight years.

1.4.1 8th Amendment to Constitution of Pakistan 1973: Territorial Share in Federal Legislature in-terms of Seats and Powers
The constitution of Pakistan 1973 was held in abeyance by General Zia-Ul-Haq and the country was run in unitary mode from 1977 to March 1985. During this era many presidential orders (presidential ordinances) were frequently issued. These presidential ordinances were included in constitution as 8th amendment by an ordinance issued by president on March 2, 1985 in-order to reinstate the constitution of 1973. The ordinance was titled as Revival of the constitution of 1973 order (RCO). This presidential ordinance amended, replaced, added and omitted 65 Articles of constitution, (Khan, 2010). It should be distinguished that after 8th amendment, president office acquired more powers than it had in the original constitutional document of 1973. Because, president acquired powers to dissolve national assembly at his own will after 8th amendment.

However, the federal arrangement of the constitution of 1973 was not changed in the amendment. It rather augmented legislative powers of Parliament, tenure of members from four to six years, and provincial representation from 14 to 19 in Senate. The Senate had equal seats from provincial territories and a significant representation from federally administrative tribal areas (FATA) as well. Total number member of Senate was increased from 63 to 87 with five seats reserved for ulema, technocrats and experts from each province. In addition to increased seats, the Senate was empowered to initiate legislation as needed with two-third majority rather than the simple majority to legislate. In National Assembly the seats for women were also increased from 10 to 20 and till third general elections this increase sustained (Khan, 2010).Where these amendments in 1973 constitution gave additional political powers to the smaller federating units in substance of decision making within political and economic domains on one hand, promoted excessive
centralized role of federal government on the other hand (Choudhury, 2005; Kundi and Jahangir, 2002).

1.4.2 17th Amendment to Constitution of 1973: Territorial Share in Federal Legislature in-terms of Seats and Powers

Pakistan once again witnessed a military regime on October 12, 1999 when Military General Pervez Musharraf took over the Nawaz government. Though it was argued that martial law was not enforced as certain parts of constitution of 1973 were already suspended when General Pervez Musharraf staged a military coup against elected government of Nawaz Sharif. After military coup of October 1999, Legal Framework Order (LFO) was issued by Pervez Musharraf in-order to carry on the state affairs with a pledge to continue governmental affairs as per constitutional spirit adopted in 1973. The slogan of more provincial autonomy was raised once again. The devolution of political and economic powers from federation to units and sub-units was promised. In speech on October 13, 1999 General Musharraf declared 7 points schema that incorporated a very important clause regarding ‘consolidation of federation by eliminating inter-provincial disharmony and reorganizing the components of national cohesion’ (Khan, 2010).

In-order to stay in power beyond three years, according to the mandated of Supreme Court, Pervez Musharraf held referendum on 30th April 2002. The result of referendum went in the favor of Pervez Musharraf. When the official result of referendum was announced in the favor of Musharraf, National Reconstruction Bureau (NRB) continued working secretly on constitutional amendment package under the headship of a retired
lieutenant general. The architects of this amendment package had kept in consideration that provinces were looking forward for political and economic autonomy (Khan, 2010). On August 21, 2002 the second Legal Framework Order (LFO) was promulgated. Beyond expectations 2nd LFO tried to centralize system of the government though it inconsistently declared to established a transformed local government system. The Legal Framework Order (LFO) 2002 has been termed as contrary to spirit of the constitution i.e., parliamentary form of government and provincial autonomy. The local governments actually start taking the space of provincial governments in the presence of strong central government (Khan, 2010).

New political government was formed subsequent to the general elections held in February 2002. After various political discussions and give and take between military regime and political parties, particularly with political alliance of religious parties MMA (Mottahida Majlis e Amal), 17th amendment was approved by the parliament in December, 2003. This amendment once more increased the powers of President who could dissolve the legislative assembly under the Article 58 (2b). However the Supreme Court through a clause had been given jurisdiction powers to review such decision. The 17th amendment to 1973 constitution, however, could not modify federal structure by means of a productive or progressive mode despite having announced an altered form of system of local government. Yet presidential election for next term became politically controversial.

Pakistan went for another parliamentary election in 2008 and Pakistan people’s Party (PPP) came into power. The PPP and other political players such as Pakistan Muslim
League Nawaz (PML-N) had promised under COD or Misaq-e-Jamhoriyat, signed on May 4, 2006 in London, to restore 1973 constitution. To accomplish the restoration of the 1973 constitution, eighteenth amendment has been passed. It has wide range of political and economic implications for provinces with regard to provincial autonomy.

1.4.3 18th Amendment to Constitution of 1973: Devolution of Political and Economic Powers to Provinces

The eighteenth amendment was passed by national assembly on April 8 and then by Senate on 15th April 2010. Finally, the President signed the amended draft on 19th April 2010. The amendment made impassive the powers of president to dismiss the parliament. Political scientists and democrats analyzed this change as positive because it not only brought about the 1973 constitution from semi-presidential to parliamentary form but also placed to its original position in many respects. It was first time in history of Pakistan that a President willingly signed a document which truncates its powers. The 18th amendment has significantly increased judicial independence. Because it made mandatory the appointment of Supreme Court judges through judicial commission. The restriction has been imposed on President to not unilaterally impose emergency in provinces and the President will too not appoint Chief Election Commissioner. This amendment is not only the source of building confidence of units over federalism but also empowered the provinces politically and economically with certain alterations. It appears that a serious effort has been made under 18th amendment in-order to revive subsequent doctrines of the 1973 constitution:
i) federal parliamentary system of government

ii) Prime minister as chief executive

iii) President as symbolic head of state and bound to act upon the advice of prime minister in all matters

Besides change in powers of President and removal of restriction on becoming Prime Minister for third time, the nomenclature of north west frontier (NWFP) as altered as Khyber Pakhtunkhwa (KPK). The linguistic aspect of renaming the province created feelings of dissatisfaction and deprivation among Hindko speaking populace. On grounds of cultural and ethnic identity Hindko speaking community protested against renaming NWFP as KPK. This protest turned into political violence that compelled the political parties to come on table for debate over renaming of province. After very lengthy debates of mainstream political parties and stakeholders the nomenclature of NWFP as KPK was ratified. Practical models of federalism suggest that successful federation timely responds to genuine demands of political, social and ethnic segments. Unnecessary delay in addressing demands of such segments creates displeasure and converts into political conflict of escalated magnitudes. At this point sometimes the solution becomes impossible for the federation, as the case of East Pakistan (McGarry and O’Leary, 2009). However this renaming has definitely various political and economic implications at regional level in-terms of recognition of political autonomy. Additionally, the area of Gilgit-Baltistan has been given province-like status. This region was needed to be mainstreamed by obtaining prominence and share in decision making institutions of Pakistan at national level.
While framing draft of 18th amendment the parliamentary committee on constitutional reforms (PCCR) utilized about 385 hours in discussions and review the 982 suggestions received from different corners. In procedure the committee extended its working domain outside the charter of democracy (COD) and started dealing with numerous other contentious issues. Eighteenth amendment brought about 102 modifications in 1973 constitution containing (Waseem, 2010):

i) Abolished concurrent list and transferred respective subjects and powers to provincial governments;

ii) Made council of common interest further practical institution;

iii) Imposed restricted on frequent and unnecessary issuance of presidential ordinances;

iv) Emphasized on merit and ensured political agreement between government and opposition for the appointment of Chief Election Commissioner;

v) Instituted judicial commission comprised of 7 members

vi) Nomenclature of North West Frontier Province (NWFP) has been changed as Khyber Pakhtunkhwa (KPK).

It would be worth-mentioning here that political parties had suggested several solutions of unsettled and persistent political issues that affect federation-provinces relations but remained unsuccessful in winning the consensus and favorable action of
parliamentary committee on constitutional reforms (PCCR). For instance, Awami National Party pressed hard for presidential election on rotational basis from all provinces and starting from neglected (smaller) province. Motahida Qomi Movement raised demand for the creation of few seats in federal parliament and provincial assemblies for overseas Pakistanis. For this MQM proposed amendment in articles 51 and 106. Jamat e Islami raised demand that president must not exercise his power of leniency where Hadoood and Qasas laws are applicable. Pakhtunkhwa Milli Awami Party (Pashtun nationalist party of Balochistan) desired the separate an independent chief commissioner for southern and central part of Pakhtunkhwa. This region must be called as Khyber Pakhtunkhwa southern and FATA must be retitled as Khyber Pakhtunkhwa central (PCCR Report, 2010).
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Chapter-2

LITERATURE REVIEW AND THEORETICAL ORIENTATION

The second chapter explores political and economic dimensions of literature over federalism and provincial autonomy. Further, theoretical alignment, on the basis of reviewed literature, has been bordered for this research. The issue of power sharing and territorial self-governance has been generalized under consociational theory of conflict management. A wide range of available literature suggests that federalism and consociationalism are commonly supportive arrangements and in plural societies provide glue to hold multi-ethnic federating units together. The theoretical discussion in the chapter
further ascertains that consociationalism is successful system to create federalism a viable choice for governance not only in European but the non-European federations as well.

2.1 LITERATURE REVIEW

In academia, the literature on federalism and provincial autonomy has several dimensions for analyses. Many political scientists are of view that decentralized style of governance and territorial autonomy under well-defined necessary federal arrangements help in managing political and economic conflict between federation and provinces. On the other hand, some scholars are in the favor of highly centralized federal system in third world countries where political conscious and development are marginal.

However literature on federation provinces relations and provincial autonomy is adequately available within the context of Pakistan as the phenomenon is frequently under debate since the creation of Pakistan. The various references about the legislative functioning of Pakistan parliaments are available in books on political parties and political issues. Some relevant material is also available with the books written on various regimes, political culture and history of Pakistan. However a plenty of literature also available in biographies and autobiographies of political leaders and military rulers. But literature with particular reference to provincial autonomy in terms of political and economic dimensions under the constitution of Pakistan 1973 is plentiful dealing with fiscal reports, documentary record of governments and various articles of journal and newspapers, however some books are also now available in the market. But literature on federalism and provincial autonomy in purely political and economic terms is scattered hence the issue
remained unaddress therefore after 18th constitutional amendment it is a preferred need of the time to analyze the literature after organizing by following a proper theory, so that Pakistan can overcome this issue existing since long.

In any federation the center and federating units are dependent on one another for survival despite being entirely independent entities. Therefore, in-order to survive in a more meaningful and comfortable way they require political and economic ensembles by means of some arrangements such as agreements, associations and organizations. Such arrangements become source of legitimate political and economic strength for articulation of shared objectives. This forms building blocks of consociational federation in which political and economic decisions regarding each member could be taken by taking stakeholders onboard.

Asma Faiz (2015) contributes over the theme in the book; *Making federation work: Federalism in Pakistan after the 18th Amendment,* that provinces are facing issues due to non-transfer of assets and institutions. This creating further tensions between federation and provinces, therefore urgently it should be addressed. In this regard special committee of Senate on devolution (SCSD) can play an important role. However it is primary responsibility of parliament to vanguard the devolution process in true constitutional spirit. After 18th amendment it is impossible to stop devolution process however any mollified attempt to roll-back the process of decentralization will have adverse effects for federation. In-order to address the reservations and grievances of provinces Ministry of Inter-provincial Coordination (IPC) shall come forward as it is serving the secretariat of Council
of Common Interest (CCI). A significant contribution is also expected from National Economic Council (NEC). It is the mutual responsibility of center and provinces to address the issues associated with provincial autonomy because it is the burning issue of the time.

Jami Chandio (2013) interprets Mr. Zafarullah Khan’s *The Crisis of Federalism in Pakistan: Issues and Challenges* and argues that it is very important to analyze complete impact and consequences of 18th constitutional amendment for federation-provinces relations. The complete study of 18th amendment includes critical analyses of transfer of political and economic power and authority from federation to units, rationalization of federal and provincial subjects and functions of various institutions to support the overall process of decentralization.

Dr. Burki, S. J. (Report of the Task Force on Private Sector Development, 2011) illustrates that fiscal devolution mechanism at provincial level is one of the several themes to be explored in the context of two enormously important developments. The announcement of 7th NFC Award 2009 and the 18th amendment 2010 are two initiatives to determine the future style of governance in Pakistan.

Khalid, S. (*Implementation Commission all set to Devolve HEC to Provinces, 2011*) asserts that Pakistan's economy today is facing political and economic challenges while addressing structural weaknesses particularly after 18th amendment. Owing to uncertain mechanism for fiscal devolution at provincial level the rate of economic growth remains low.
Dawood, R. (*Report of the Task Force on Private Sector Development, 2011*) expressed that in fact at this time in Pakistan fiscal conditions of provinces are very critical because of fiscal devolution mechanism is meaningless without transfer of assets. Federal government with the consensus of provinces must evolve a clear and concise mechanism for fiscal devolution.

According to fourth annual report of Institute of Public Policy (State of the economy: Devolution in Pakistan, 2011) poverty in Pakistan is increasing because distribution of wealth and resources are practically controlled by federation and not justly given to provinces hence income of provinces is deteriorating. This further decreased the efficiency of production that made Pakistan incapable to take advantage of global economy because the size of trade of Pakistan has been shrinking in the world trade for the last decade. This is because of federation-provinces rift. Therefore at this stage devolution of power to sub-national units in Pakistan is a good step to get itself into a stable political and economic arena. But the most important issue towards devolution of power to provinces is the weak fiscal devolution mechanism.

According to a report of Pakistan, Ministry of Finance (2011a) even prior to 18th amendment the provincial finances were reshaped by 7th NFC Award 2009. This Award was unique in many respects from the previous revenue sharing models adopted by Pakistan. For instance, divisible pool and pool of revenue shared between provinces were larger and better in new formula adopted in 7th NFC. The share of each province was determined not only on the basis of size of population as in earlier Awards but on multiple
standards that include poverty 10.3%, revenue 5% and inverse population density 2.7%. A special development need fund for smaller provinces and increase in straight transfers are too taken into account. It has been recognized under 7th NFC Award that all type of tax collection on services will also go to provinces.

The situation pertaining to political and economic facts demands that provinces must be given free hand to tackle the issues with the assistance but without the interference of federal government. As per Budget estimates of 2010-11 provincial shares in total federal transfers were; Punjab 46.7%, Sindh 26.7%, Khyber-Pakhtunkhwa 17.1% and Balochistan 9.5%. Before 7th NFC Award and 18th amendment the financial structure of the country was federal dominant because federal government used to collect 92% tax and utilized 72% of it at own disposal without taking the provinces on board. This was highest tax utilization percentage amongst the large federations of the world. This has been reduced in the result of 7th NFC Award and the provincial share will continuously be increased as the result of 18th amendment. The fiscal devolution mechanism with assets and liabilities must be transferred to provinces in-order to deal with the emerging issues regarding federation-provinces relations.

UNDP (Strengthening Participatory Federalism and Decentralization, 2010) highlights that some political and economic aspects of devolution process stay unsettled in the constitution of Pakistan 1973 even post 18th amendment and will certainly take some time in-order to become stable as has been the case in various states introducing sweeping constitutional reforms. This is predominantly true in relation to (i) the need for instituting
suitable mechanisms for management in between federal and provincial governments, (ii) resolution of challenges to sectoral governance at provincial level, (iii) the establishment of local governments, and (iv) ensuring compliance of provisions of constitution by both federal and the provincial governments.

Dr. Pasha, H. A., Pasha, A. G., and Imran, M. (Budgetary Consequences of 7th NFC Award, 2010) explores that after 18th amendment the separation of power and authority between federal and the provincial governments is laid down in constitution of Pakistan. Certain areas like; foreign affairs, defense, customs duties, income tax fall within the ambit of federal government, whereas others for instance, agriculture, irrigation, primary education are within the legitimate domain of provincial governments. While formulating a plan for provincial development one must keep in mind that, what the provinces are and are not empowered to do. The policies of federal government have impact on provinces as well. However, substantial differences can arise in the application of provincial policies particularly in terms of fiscal devolution mechanism.

Bhatty, M. M. (Indicators of Inclusive Growth in Pakistan, 2010) analyzes that in April 2010 the 18th amendment is a landmark episode in the constitutional history of Pakistan. It restored equilibrium of power between president and parliament. Further it increased level of confidence of provinces over federation as it ensured provincial autonomy more than ever before. Surely, 18th amendment opened new windows of development for provinces on one hand but implementation of amended constitutional provisions is not an easy task on the other hand. An apparent fiscal devolution mechanism
is required to achieve the desired results of eighteenth amendment to the constitution of Pakistan 1973.

Hussain, I., and Rana, S. (A Comparison of Fiscal Effort by Provincial Governments in Pakistan, 2010) illustrate that the federal government can come closer to the people only when provinces are strengthened and autonomous. Further federal government in Pakistan should utilize the instrument of local government to strengthen federation. By this way many basic needs and many of services required by citizens are only be provided by the instrument closer to citizenry. Thus in democracies citizens are satisfied with the federation only when federal government takes and develops the provincial and local governments as an integral part of structure of government.

Ward and Ward, (2009) asserts in The Ashgate Research Companion to Federalism that the constitution is the custodian of autonomous status of provinces. However credibility and legitimacy of federation largely depends upon what it delivers to sub-units under given constitution scope.

It has been argued by researchers such as Mikhail Filippo in Riker and Federalism (2005), participatory federalism is the outcome of two factors. One is trust of federating units over strong central government and second is the level of decentralization and devolution of political and economic power to sub-units under voluntary bargain model. Yet modern or participatory federalism is better than unitary system, because in modern federalism provinces are not bound to surrender authority to center without political bargain.
Rodden, (2004) in *Comparative Federalism and Decentralization: On Meaning and Measurement* argues about the fact that federalism is basically outcome or product of incentives given by federation to federating units (provinces) through institutional bargain and guarantees. In this regard Brazil, Germany and United States of America are example of strong federalism as these countries carry better institutional bargain level between federation and units. On the other hand some federations have fragile federalism therefore their credentials are questionable. Mainly these federations are less credible towards federating units because of having power of dismissal of provincial governments with the center. Like, since the governor rule had been imposed in Balochistan the Balochistan is afraid of center because governor rule brought about the trust deficit between federation and Balochistan. However, it must be noted that sometimes unnecessary issues are faced by federation too due to clash of interest between provinces. While in revenue sharing process the smaller provinces ask for representation schemes on the basis territorial share in federation while large provinces desire to go for population factor in-order to get more shares. This clash of interest between provinces not only influences the decision making process of federation but also get the federation weaker politically. The safeguard of interest especially if the social groups are divided on ethnic lines may result in the solution finding capacity of strict federal systems becoming compromised. This specially happens under the majority based democratic regimes. This aspect will definitely take Pakistan to another domain where federalism and consociationalism can be contrasted and compared.

Gregory Claeys (1994) further interprets David Hume’s (1752) *Idea of a Perfect Commonwealth* and argued that Hume was in favor of a federal arrangement. He wanted
member units to enjoy multiple authorities and participate in decisions of federal government, but their laws and judicial rulings could continuously be overridden by the executive institutions of central government. He held that a refined system would fix the problem of conspiracy, passion and prejudice against public interest in a better way.

According to the report of United Nations Human Development (20013), out of 91 oil producing districts of Pakistan, Badin the major oil producing district of Sindh ranked at 60th on Human Development Index. Even Karachi and Hyderabad districts were placed on 30th rank on HDI. But rural Sindh was placed at lowest among all the urban and rural areas of Pakistan on HDI in the report. Some identical tendencies for Balochistan have been indicated in this report. Consistent with report, a very critical aspect of Human Development was revealed that on HDI last 30 districts 12 districts were from province Balochistan. On HDI only 3 districts of Balochistan were ranked within top 30 districts of Pakistan. Unfortunately, Dera Bugti despite of having the largest natural gas field of the country ‘Sui’ was the last on HDI rank. This is neglect remains on the part of federation. According to the report this is because of excessive centralization for which the provinces are deprived of even their due economic share.

William Riker describes (2006) in World Politics that federalism ensures autonomy of provinces. Federalism reconciles the contradictory political interests of provinces under the principles of regional self-rule and shared governance. Federalism helps the units to bargain and protect their political and economic rights. However sometimes federal
government is unwilling to devolve the appropriate share to provinces but it is federalism that resolves such contentions between federation and provinces.

2.1.1 Gaps Found in Literature

Most of the Authors overlooked federalism and provincial autonomy because mostly they lacked an appropriate theoretic scheme while debating the implications of provisions to the constitution of Pakistan 1973. Hence there is no specialized study on the subject proposed for this research. The available studies on federalism and provincial autonomy are not appropriately applicable to Pakistan’s present political and economic scenario emerged after 18th constitutional amendment. Some of the studies do not fit to Pakistan as they are carried out immediately after the enactment of 18th amendment and now that after the passing of reasonable time for applications of the amended constitution Pakistan underwent visible political, economic and structural changes. Therefore it is required to study the proposed theme in current political scenario to reach valid findings over the presented research theme. A number of the writers confined the scope of constitutional amendment to decentralization of political power and do not focus 18th amendment within the evolved mechanism for fiscal devolution and ignored its relevant factors, but this research will discuss 18th amendment with its evolved mechanisms for fiscal devolution, gap between evolved and required mechanism and propose remedies for slackness to achieve desired objectives from 18th amendment. The early attempts were primarily designed to address the problem of income inequalities between federation and
provinces but failed to develop appropriate mechanism to overcome this issue. This study will address the issue within an appropriate theoretical framework.

2.2 THEORETICAL FRAMEWORK: Power Sharing and Territorial Self-Governance under Consociational Theory of Conflict Management

The consociationalism can be traced back to 1917 in the work of John McGarry and Brendan O’Leary when it was first employed in the Netherlands. However, consociationalism was discussed in academic terms by the political scientist Arend Lijphart. Indeed, Lijphart draws heavily on the experience of the Netherlands in developing his arguments in favor of the consociational approach to ethnic conflict regulation. The theory, according to Lijphart, focuses on the role of social groups, their agreement and cooperation, as the key to a stable democracy. Political scientists define a consociational state as a state which has major internal divisions along ethnic or linguistic lines, with none of the divisions large enough to form central government.

2.1 Favorable Conditions for Consociationalism and Applicability to Pakistan
Wolf, Lijphart, Michael Kerr and many other political scientists identify a number of favorable conditions under which consociationalism is likely to be successful. Wolf has changed the specification of these conditions somewhat over time. Wolf’s most prominent favorable factors are:

i. Segmental isolation of ethnic communities

ii. A multiple balance of power

iii. The presence of external threats common to all communities

iv. A tradition of elite accommodation

v. A moderate multi-party system with segmental parties

Though the consociationalism was not very successful in non-European countries; Lebanon and Malaysia, it does not mean that the theory cannot be applied out of the Europe but it indicates that the aforementioned favorable conditions are pre-requisites to the application of this theory and most of the conditions were absent in Lebanon and Malaysia. However, the aforementioned five factors, less or more, are present in Pakistan therefore the theory consociationalism can be applied to Pakistan with some improvements as per local conditions.

Stefan Wolff’s ‘Consociational Theory of Conflict Management’ is applied to this research. Consociationalism is a theory to manage political and economic engagements between stakeholders of territorially alienated state. Under liberal consociational version the institutional design of theory has been operationalized in two dimensions; power sharing and self-governance. However methodologies towards managing the conflict
between federation and territories in plural societies like Pakistan are overlapped by design or otherwise (Wolff, 2009a). There is an important complementary political connection consociational power sharing and territorial form of self-governance. In territorially diverse countries like Pakistan this empirical relationship can be recognized under clear methodological design.

The current study therefore examines self-governance and power sharing under well-defined institutional design. In-order to manage critique over power sharing and territorial self-governance in Pakistan, this study offers required conditions for empirical implication of liberal consociationalism for Pakistan. Further this study also contributes more while highlighting the difference between theory and practice of liberal consociationalism in third-world countries like Pakistan.

Stefan Wolff’s Consociational Theory of Conflict Management further highlights the principles of distributing authority and power amongst the participating groups; federal government, governments of states and common institutions. Under consociational wisdom, a federation despite of having territorially diverse constituent units (provinces) has a common government with a clear political and economic power sharing mechanism. Though the consociationalism works under exceptional rules in different regions but one thing is common across the globe that as theory it considers the participation of provinces in policy formulation process as the essence of federalism. Political and economic conditions of different countries contribute a lot in theory and practice of consociationalism. For instance, provinces do not have power to veto policies of central
government in Canada but even then provinces are more autonomous because federal and provincial governments are not only bound to work within given system but the federal government has to sign a formal agreement with provinces by following a long process of consociational bargains. Likewise, institutions offer scope for political and economic policy specific bargains between central and provincial governments in Russia, Spain, Germany and Australia.

A consociational state though has major divisions along ethno-lingual or ideological lines but often no division is large enough to create a government independently in all the divisions (provinces) and center, therefore coalition government at center is formed. This case once again suits to Pakistan while applying the consociationalism to Pakistan governance. A consociational country manages political and economic stability owing to an effort of building consensus through genuine and meaningful consultation with provinces. Usually these are elites, a selected number of people, in major social groups who negotiate. A good contrast of such consociational states is contrasted with states with majoritarian electoral systems (Elazar, D. J., 1987).

The interest of political scientists increased during the late 1950s and 1970s, around the concept of non-majoritarian democracy which was either thought of as federalism as distinct from consociationalism or being part of the same thinking which attempts to stabilize states while accommodating minority interests (Lijphart, 1985; Ward and Ward, 2009).
The similarities between federal and consociational polities are enormous. Both the systems; federal and consociationalism, involve systemic broad consensus than in simple majority systems. Under the consociational regime majority rules but the system is designed to generate broader consensus than possible in simple majority systems (Elazar, 1991; Lijphart, 1985).

Critically speaking, under fragile democratic structure sometimes the federal system is dominated majoritarian but non-consociational rule which makes federalism fewer accommodative than theoretically expected. Pakistan is best example of majoritarian but non-consociational federalism that’s why less accommodative in terms giving the political and economic powers to provinces (Adeney, 2009). In another sense, both federal and consociational regimes can be undemocratic. Lebanon is an example of a likewise system. While before the civil war the consociational regime was working, its constituents were governed by oligarchies of traditional notables drawn from a handful of ruling families (Elazar, 1991).

On the other hand legal-structural approach to federalism is replete with the concepts of tiers or levels of government, each awarded with self-governing legitimacy and constitutionally guaranteed place in overall system. However, consociational regime is thought to be more informal which acknowledges the presence of multiple social identities and groups around ethnic, cultural and religious lines (Elazar, 1987; Elazar, 1991). Having discussed the basic ideas of federalism and consociationalism, the next chapter will discuss federalism and conflict in historical dimensions of Pakistan.
It is argued that fiscal and political decentralization and regional autonomy provides necessary trust building amongst ethnic nationalism. This type of combination is said to give a flavor of heterogeneous policy tastes. However, there are perspectives which claim that federalism and decentralization increase the ethno-regional rebellion and secessionism (Brown, 2009). The cross country regression analysis presents a much diverse picture. It appears that “shared-rule” features of decentralization and regional autonomy have strong protest-reducing outcomes. The researches also show that the countries in which ethnic differences are high and politicized “federal bargain” type resolutions are problematic to attain there, and then devolution may outcome in greater ethnic mobilization and possibly will lead to secession. Such ethnic mobilizations need special autonomy for ethnically distinct regions to contain violent conflict (Brown, 2009). Some empirical researches point out to institutional effects of federalism over socio-political character of societies. The degree to which politicization of ethnicity and inequality occurs imposes some definite impact on federation-provinces relations (Bakke and Wibbels, 2006).

However, it must be noted that not all federations having plural social structure tend to fail. There have been successful federal states. It appears that states which are democratic and have tendency to establish rule of law, may also try to be economically viable. In addition, it also matters that whether the units have voluntarily decided to join the federation. Some researchers also suggest that demands of minority self-government must be addressed quickly to avoid conflict under federal structures. Further it matters that whether a federal state has a dominant community which makes it a stable structure (McGarry and O’Leary, 2009). It has also been argued that in order to contain violent
conflict reliance on federal bargain is not enough. There is a need of strong consociational practices predominantly at federal government level. This is necessary to stabilize federations and is more important than having a vibrant democracy because there are limits to non-consociational federalism and it cannot prevent secessions (Adeney, 2009; McGarry and O'Leary, 2009).

There are some good examples which suggest the success of political systems which work on a consociational basis. These countries include Lebanon, Switzerland, Belgium, Netherlands (1917 until 1967), post-independence Singapore and Nigeria. In lieu of this the European Union is too supposed to be consociational democratic organization that is dependent on the level of satisfaction of the people of participants and working relations of countries of European Union. Though ethnic quotas have not been accorded but the Post-Taliban Afghanistan’s political system is also a step towards consociationalism. Having discussed the experiences of federalism in other nation states, the subsequent chapter discovers the history of federalism in Pakistan. It tries to begin discussion from the pre-partition constitutional environment.
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Chapter-3

HISTORICAL PERSPECTIVE OF POLITICAL AND ECONOMIC CONFLICT BETWEEN FEDERATION AND PROVINCES UNDER FEDERALISM IN PAKISTAN

The third chapter portrays the historical outlook of political and economic aspect of federalism and provincial autonomy in Pakistan. The discussion takes an account of different constitutions of Pakistan on the subject. It unfolds history of federation-provinces working relations under critical appraisal. This chapter reveals that how far, historically, the federalism remained effective or ineffective in Pakistan to create feelings of serenity for federating units’ in-terms of political and economic share. It further depicts historical reasons due to which Pakistan could not fashion a consociational structure to accommodate grievances of provinces.
Federalism has political and economic congenital relevance to Pakistan politics as it has been an instinct feature of politics of subcontinent. In-order to understand federalism and provincial autonomy under Constitution of Pakistan 1973 it is very important to look into the historical realities of evolution of federalism in Pakistan since 1947.

3.3 EVOLUTION OF FEDERALISM AND THE CASE OF PROVINCIAL AUTONOMY IN PAKISTAN

In-order to critically explore the evolution and development of federalism as system in Pakistan, it is obligatory to study two periods; semi-federalization from 1947-71 and federalization from 1973 to onwards in Pakistan. The first period was categorized by concentration of authority of the federal government within West Pakistan. In second period federalism leaped back and slowly but surely progressed ahead despite of multifaceted challenges. The constitutional and theoretical model of Pakistan guarantees that units of federation would have political and economic autonomy that can be fined in the constitutions of United Sates of America, Australia and Canada. But some essential political and economic powers even in these countries confer upon the federal government; for instance national defense and financial system. The federal structure of governance in Pakistan has been adopted partly as necessity from 1947 to 1971 at the time of
noncontiguous provinces and partly because provinces were established on the basis of diverse linguistic and ethnic identities.

Historically speaking, the Lahore Resolution (1940) highlighted con-federalist sentiments of Baloch, Bengali, Pashtun, Sindhi and nationalists. These territories had considered this resolution a new social contract among provinces to be the part new federation Pakistan (Waseem, 1990, pp. 518-22). The provincial political leadership averred that Mr. Jinnah anticipated the Pakistan as confederation where independent and autonomous provincial governments will get into an agreement with federal government to establish a new confederation by following bottom-up approach of decentralization. But after partition the political and economic authority of state was decentralized by following top-down mode rather than in bottom-up approach. Apparently the supported provisions of Lahore Resolution to confederation stayed inactive to serve as the Magna Carta for political and economic sentiments of ethno-national units of Pakistan. It is reality that East and West Pakistan were considered susceptible to antagonistic elements that pressed hard the rulers to have concentration of political and economic power with the central government. Federal government accumulated huge political and economic power under sections 8(2), 9(5), 92(A) and 102 of the Indian Independence Act 1947 (Salamat, 1992, pp. 66-68). In the light of given political environment, Pakistan was incepted under inconsistent political conditions that directed it to opt two contrary versions of federalism; one is federalism is the sole choice for Pakistan as an acceptable system of government. Whereas second is that federalism can be a viable system in Pakistan when it would be created as mystifying as possible.
Although Pakistan and India had gone through the analogous majestic practices under pre-colonial legacy but both the countries experienced differently with federalism. Pakistan had federal structure of governance fidgeted with presidential to parliamentary to martial law and a hybrid-like political system between parliamentary and presidential (Naseer, 2007). During the whole course of federalism, eventually the balance of power was tilting towards president in 8th to 17th amendment while the 18th amendment transferred powers to parliament (Jillani, 2010; Kundi and Jahangir, 2002).

3.1.1 Federalism and Provincial Autonomy in Search of Inter-wing Parity (1947-1971) under Constitutions of Pakistan 1956 and 1962:

Provincial Autonomy Compromised

After 1947 the Act of 1935 was operationalized in Pakistan. It was amended in such a way that central government got more political and economic powers than provinces. This alteration in the Act had not only given center the more control over the federating units but made the central government most influential and powerful in the world (Syed, 1954). Political and economic demands of the provinces were remained unaddressed because Muslim League had an imprecise notion of governance especially on how to balance the ethnic divides in Pakistan that headed to delay in outlining the first practical constitution of Pakistan (Adeney, 2009).

At the time of independence Pakistan did not conquer or force any of the provinces to join new federation and provinces had joined federation at their own political will therefore it is more specifically a voluntary federation. But unfortunately from 1947 to
1971 many deliberate efforts and engagements were made to get the provinces politically annoyed from the federation by denying political and economic rights of provinces. A traditional mindset prevailing within the federal domain had been continuously trying to enervate the inadequate provincial autonomy given to provinces that ultimately proved dangerous for national harmony and integrity of Pakistan as federation. For instance, in political struggle of Pakistan Sindh and Bengal (later East Pakistan) were definitely on forefront. This is politically consistent interpretation of formation of Pakistan that people of these two provinces played a pivotal role to force the British government to quit Subcontinent and decided to create a new Muslim state Pakistan by dividing the Hindu India and Muslim Pakistan. After creation of new Muslim federation the assurance of political and economic rights of federating units were expected to be the spirit of federation. But right from the outset, some resistant elements started opposing the true spirit of federation by ignoring even fair demands of East Pakistan and Sindh. Though a very strong demand of provincial autonomy was ingrained but regardless of this Pakistan was converted into a unitary mode of government assimilating all the federating units into a solitary administrative unit.

In 1954 United Front in East Pakistan raised demand by giving ‘Twenty-one Point Program’ that federation must function on the basis of Lahore Resolution. Contrary to this demand, in 1955 the lust for power of federal government turned Pakistan into unpopular political scheme the One-Unit. Creation of One-Unit was declared mandatory to give political and economic autonomy to provinces. Surprisingly, the single province Punjab of West Pakistan was practically given the authority to control majority province East
Pakistan by refuting its majority rights. By giving more political and economic control to Punjab the smaller and weaker provinces of Sindh, Balochistan, and former NWFP (now KPK) had militarily and bureaucratically been vanquished by the Punjab. In 1955 there was an interesting comparison between officers of military and bureaucracy of East and West Pakistan. Considering the population factor, the Punjabis and Urdu-speaking had representation more than their deserving share in Military and central superior services of Pakistan. This representation and higher position factor of two wings was thought to be a significant drive towards establishing an influence in decision and policy making process at federal level. It has been argued by the political analysts that neither the bureaucracy nor the army was ready to ratify such a constitutional framework that could give political and economic autonomy to East Pakistan. But the federal government had given authority to the people they hated and looked dejectedly upon the people of East Pakistan. This created the gulf between federal government and provinces on occupational and ethnic grounds, resultantly, East Pakistan and smaller provinces of West Pakistan except Punjab had been taken One-Unit as political victimization by federal government (Adeney, 2009).

But federal government enforced the decision of One-Unit on the people of Pakistan contrary to the political will of majority. The provinces of East Pakistan, Sindh, former NWFP (KPK) and Balochistan opposed the decision of One-Unit and initiated a move against it with constant agitation, rallies and protest meetings. But the federal government in spite of realizing the sensitivity of issue tried to control the situation through providing a legitimate cover of first constitution of Pakistan 1956 to One-Unit formula.
c) Federalism and Provincial Autonomy: The Constitution of Pakistan 1956

The opposing forces to provincial autonomy were succeeded in providing statutory cover to unpopular and politically fragile decision of One-Unit to preserve undue parity between East and West Pakistan by outlining the 1956 constitution. However regardless of all political tactics played on representation and language or ethnicity, the constitution of 1956 could not satisfy the political and economic aspirations of provinces due to creation of the only province ‘West Pakistan’ under One-Unit formula (Choudhury, 2005). Similarly, the linguistic diversity and how to accommodate fair demands of provinces remained unaddressed even after implementation of the constitution of 1956. This constitution could not address the issue of provincial autonomy because it continued with one unit formula by creating two provinces, one homogeneous on the basis of language; 98% of people of East Pakistan spoke Bengali and the other province was linguistically heterogeneous because 63% of West wing spoke Punjabi but there were other substantial linguistic clusters who spoke Pashtu, Sindhi, Urdu and Balochi. The decision of adopting Urdu as national language, without taking all stakeholders on board, created political rift between center and provinces because Urdu was the mother tongue of only 3.24% of the total population while the Bengali language was enunciated by 54% of the total population (Adeney, 2009).

On the other hand the Constitution of 1956 attempted to unstiffen the centralizing power of already prevailing Government India Act 1935 under Article 106 (1). The federal list was reduced with thirty items which were sixty one prior to this and provincial list had
94 items. The concurrent list was also reduced to 19 items in-order to have less federal involvement into the provincial matters. But there was strong opinion provincial leadership that it is compromised level of provincial autonomy as there were still adequate administrative and economic powers with the central government to dominate provinces. Federal government had still powers to intervene into the provincial matters by virtue of authority in spheres of economic development, national security and synchronization of provincial units (Choudhury, 2005; Adeney, 2009; Kundi and Jahangir, 2002).

Provincial leadership did not stop but kept on agitation against One-Unit and demanding uncompromised level of provincial autonomy even after implementation of the constitution of 1956. Consequently the working relations between center and provinces were hostile and the political environment became instable. When political situation got out of control of federal government the martial law was enacted in 1958 for more than a decade from 1958-1969 without any constitutional gadget. Political powers were dispensed to military general Ayub Khan as Chief Martial Administrator. Though martial law has never been a development in democratic world but interestingly some political leaders got a side of general Ayub Khan and suggested a strong center rather than the autonomous provinces. Khan Abdul Qayyum Khan was prime spokesman of the slogan of strong center. He was a trustworthy man of Pakistani establishment. The other opportunist politicians as well joined the slogan of strong center and One-Unit to establish parity with the former East Pakistan (Khalid, 2007). The suspension of assembly under martial law created serious difficulties in political affairs between the Eastern and Western wings of Pakistan and had long term impact on the performance of its federal system. The constitution of
1956 had already been abrogated therefore a fresh constitution, incorporating the system of Basis Democracies, was articulated which kept the One-Unit retained as well (Kundi and Jahangir, 2002; Talbot, 2009).

d) Federalism and Provincial Autonomy: Constitution of 1962

The constitution of 1956 was repealed by Ayub Khan in 1958, by tumbling the political government, and substituted it with the fresh constitution of 1962 to continue One-Unit and model of parity with East Pakistan, despite the parity model was indeed renunciation of popular right to former East Pakistan to rule entire Pakistan. Under One-Unit formula one legislative house called national assembly was created at federal level with equal representation from eastern and Western wings of Pakistan. Ayub Khan easily got support from military, civil bureaucracy and some of politicians to continue with the policies of own choice. However military and bureaucracy offered much strength to Ayub Khan for execution of authority (Alavi, 1972). Ayub Khan disregarded the recommendations of Basic Principles Committee and the commendations of Constitutional Commission of 1960 regarding provincial autonomy. Though both of the arrangements had recognized federal form of government, but at the same time strongly pushed the federation to give complete political and economic autonomy to federating units under the spirit of federalism (Kundi and Jahangir, 2002; Sayeed, 1980). General Ayub Khan, taking plea to Pakistani nationalism, was actually more concerned in creating an irrepressible central government (Choudhury, 2005). Therefore constitution of 1962 reserved the federal design
of 1956 constitution with three lists; federal, provincial and concurrent. Under the dominating desire of strong center 49 items were listed in federal list but no item was specified for provinces and it left with the verdict that remaining powers are being devolved to provinces. It is very important to understand that this was political tactic played by the federal government with provinces because how can provinces legislate without having been specifies items in this regard. Practically provincial assemblies had nothing to legislate or constitute about. Under the influence of establishment the constitution of 1962 skewed equilibrium of political and economic power towards the federal government rather than the provinces (Kundi and Jahangir, 2002).

In 1966 Awami League launched a movement by giving Six Points Program to redefine federalism in Pakistan. The Awami league demanded:

i) adult franchise in parliamentary framework

ii) defense, foreign policy with communications for the federal government

iii) power of taxation must be given to provinces

iv) that provinces must be given right of foreign trade and foreign exchange

v) an appropriate share for East Pakistan in parliament in-terms of representation and power

The federal government paid no attention to the demands of Awami League. In the result, provinces revived politics of agitation and started movement against military rule of general Ayub Khan. In this movement along with provincial autonomy and one-man one-
vote, the popular demands were resignation of Ayub Khan and holding of fresh elections. Thus, Ayub Khan resigned and general Yahiya Khan took over government in 1969.

The military regime under Yahiya Khan initially paid little attention to the popular demands of provinces and revitalized the historic status of provinces by abolishing One-Unit. Yahiya Khan considered it the need of time and declared that no single province of West Pakistan is needed for parity any more. Some influential elements from Punjab province and Urdu speaking people strongly opposed the restoration of historic status of provinces for obvious reasons (Adeney, 2009; Jahangir and Kundi, 2002). These influential elements from politics, bureaucracy and military thought that revival of historic status of provinces by abolishing One-Unit would be against their specific interests. However political leadership of smaller provinces from Western wing and East Pakistan appreciated the decision of abolishing the One-Unit and urged on center to give maximum political and economic powers to provinces. According to the leadership of politically ignored provinces federal government must keep minimum or necessary political and economic powers only to retain the integrity and solidarity of the country. The breakdown of One-Unit itself established that the military leadership had started changing preferences in national interests and military generals now seriously interested in retaining Eastern wing as part of Pakistan by addressing grievances raised by the leadership of East Pakistan even their demand of majority rule in governance and majority share in resources. Some political scientists from Pakistan had considered it a compassionate action on the part of military general Yahiya Khan to accept the majority right of East Pakistan. Provinces were
revitalized but without comprehensive provincial autonomy therefore provincial leadership did not give up the opposition of federal government.

The general elections of 1970 revealed that earlier the federal government under military leadership had been only pretending to be the protector of provincial interests. Because when in general elections of 1970 the Awami League of Sheikh Mujeeb appeared with absolute majority at national level, the military leadership again changed approach and thought about a hung parliament so that military could have decisive role to play. Therefore the governance sharing formula was devised in such a way by federal government that it was not acceptable to East Pakistan. Federation-province working relations were again got hostile. The situation was not handled through political wisdom by the federal government but it decided to use pressure tactics to get control. For this the federal government started ‘Operation Searchlight’ to uphold law and order situation in East Pakistan. Political scientists mainly put the responsibility over center for the entire political worse scenario, because from Islamabad the step of adjourning was taken to stop Awami League to form central government. The situation turned into violent clashes, deaths of hundreds of thousands of Bengalis and displacement of the ten million as refugees. At the end even strong center could not keep the federation integrated and East Pakistan became Bangladesh, a new independent state, in 1971 (Adeney, 2009; Jahangir and Kundi, 2002).

On the other hand, provinces of West wing; Sindh, NWFP and Balochistan except Punjab, were also not happy with the center because Lahore located in Punjab was made
the capital of West Pakistan under One-Unit formula Punjab itself was the supporter of One-Unit. The rest of the provinces thus termed all these actions of federal government as Punjabization of Pakistan. This further weakened the federation-provinces working relations and at last East Pakistan was separated.

3.1.2 Separation of East Pakistan and New Dimensions of Federalism and Provincial Autonomy

Federalism in Pakistan had to face multidimensional challenges post 1971 period and at the same time expectations of provinces from federal government regarding granting of political and economic autonomy to units were high. Therefore this period was considered not only the transitional phase for the federalism in Pakistan but policies and actions of this course were to determine the road map for future working relations between federalism and provinces.

The foremost challenge, subsequent to the disintegration of Pakistan, for the national assembly of Pakistan formed after general elections of 1970 was to frame new constitutional document as an acceptable social contract for the rest of the federating units under the leading role of Zulfiqar Ali Bhutto, the head of state and the chairman of Pakistan Peoples’ Party. Pakistan Peoples’ Party had majority in Punjab and Sindh but not in NWFP (KPK) and Balochistan, and endorsement of constitutional process of these provinces was unavoidable. In NWFP and Balochistan National Awami Party (NAP) led by Wali Khan was in majority. In Balochistan NAP and Jamiat Ulma-e- Islam (JUI) formed coalition government where PPP could not win a single seat. The responsibility of discovering the
common points for constitution making between PPP and NAP was given to Mir Ghous Bakhsh Bizenjo by Z.A. Bhutto. Mir Bizenjo remained successful and settled the constitutional agreement between PPP and NAP. However, Ajmal Khattak and Wali Khan strongly opposed Bhutto due to reservations over movement of military in Balochistan and Bhutto’s inclination towards conservative religious parties for outlining the constitution with minimum or no provincial autonomy, while Bhutto had promised uncompromised level of provincial autonomy. However Constitution of Pakistan 1973 was implemented on 14th August 1973 under political initiative of Zulfiqar Ali Bhutto (Malik, 1974).

However in-order to give provinces an autonomous status it was necessary to have territorial representation at federal level. Therefore, under constitution of 1973 two houses of the parliament were established, where Senate was the representative house of territories of federation with 19 seats from each of province, 8 members from FATA and 3 from Islamabad. The National Assembly declared as population chamber where Punjab had majority of seats. This so-called demos-constraining character of Senate was to balance the majority of lower house, but practically in Pakistan it was not so because Senate had no control over monetary matters (Stephan, 1999, pp. 22-23). It is very important to understand that bicameralism it-self neither pledges fair distribution of shares, but it is the accepted and agreed process of decentralization that ensures provincial autonomy (Linz, 1997, pp.5-6). It is political and economic autonomy of federating units under clear devolution framework that strengthens federalism and helps a state to democratize its institutions (Adeney, 2007, p. 2).
The provincial representative house Senate in Pakistan has not been powerful because of two reasons; one is the election for senator has become selection by the party leaders, and the second is that constitution itself making the territorial chamber powerless. This situation has been obstructing the legislation process of parliament as happened in the case of Sharia Bill 1991 (the aborted 15th amendment).

Another dimension of federalism and provincial autonomy comes through the constitutional amendments; 8th constitutional amendment, 17th and then 18th amendments to the constitution of Pakistan 1973. The power game has continuously been changing by these amendments, sometimes through enlargement of the seats of parliament and sometimes through altering the authority of the power pillars. However in both of the cases these amendments have deep impact over federation-provinces working relations (Waseem, 2008, pp. 215-217).

The post 1971 political scenario led to a new constitutional approach towards federalism in Pakistan as the Punjab province with 58% of population acquired the position of ‘one province dominates all’. The smaller provinces were not happy with this development and they were not ready to accept again domination of one province in the parliament in-order to avoid any unpleasant political event in future like separation of East Pakistan. But the elite class and establishment of Pakistan still pressed for majority-constraining federalism to articulate their own political interests. The menace of other ethnic population was taken as justification for strong center with least provincial autonomy (Stephan, 1999).
One more dimension of federalism and provincial autonomy after 1971 revolves around the status of provincial languages. The provincial languages were officially recognized by the constitution of 1973. Sindh province endorsed Sindhi as an official language of Sindh province. Unfortunately federalism got again under stress and federation had to play again the role because declaration of Sindhi as an official language of Sindh had undesirable fallout on Urdu speaking mohajirs and led to language riots. Indeed these two communities had strong history of ethnic conflict (Adeney, 2007, pp. 141-143). Again problems were created for federalism to work as system because this issue intensified the ethnic basis of politics in Pakistan just after the implementation of constitution of 1973.

The constitution of 1973 itself intensified ethnic conflict by crafting de-jure recognition of core linguistic groups recognized with their respective federating units (Khan, 210, pp5-7 & 14-15). Some other steps of federation have also been the source of bitter federation-provinces working relations, like; introducing the quota system for ethnic groups extended to rural and urban Sindh brought about the rift between Sindhi and mohajir that ultimately affected federation-provinces collaboration (Waseem, 1999, p. 459).

Political scientists are of the view that ethnicity is considered development in rest of the developed democratic federations but in Pakistan it proved decay because the constitutional document that is responsible to satisfy the demands of the multicultural communities had never been sent to the public forums for referendum or debates while it is framing. Consequently issues are remained unaddressed because of hidden agreement between political parties and groups. For instance, the constitution of 1956 was preceded
by Muree Accord between Punjabi and Bengali groups and later the constitution of 1973 (Malik, 1974 pp. 45-46).

Wherever federal government usurps the political and economic rights of propel of provinces apparently to get strength from the system, it automatically reverts back and the system starts working to weaken the federation. Therefore federal government does not take the provinces as competitor but compatible to the strength of federation. In Pakistan federal governments have always been taking the provinces as economic and political contestants. Consequently the issues of language, economy and water have not been addressed, hence provincial autonomy neglected.

The extreme federalization resists the process of decentralization and prefectorial federation (federation with high degree of decentralization of political and economic power) cannot be established (Linz, 1997, pp. 3-4). In India the federalism is often observed pre-emptive where center infringes into legislative spheres of provinces and put provincial lawmaking process on hold (Rajashekara, 1997, pp. 245-248). While In Pakistan the center used to function with more penetrative and commanding aptitude. This penetration deprives provinces of political and economic rights for which they come on forefront opposition of federal system. This weakens national political parties along with federation; ultimately military gets space to coup and prolong its rule by having coalition partnership of regional political parties.
3.1.3 Centre-Province Relations under Political and Economic Power Sharing Mechanism: Central Government’s Intervention in Federating Units (1947-2010)

The federal subject in Pakistan is embedded with persistent crisis of center-provinces working relations. The demand of greater provincial autonomy has been rising from at least three smaller provinces (Khan, 2001, pp. 884-889). Pro-federation prejudice in division of subjects has been made in constitutional arrangements of Pakistan. The list of subjects of 1956 constitution was shifted from three, federal, provincial and concurrent, to one federal list in the constitution of 1962. Then in the constitution of 1973 one federal list shifted to two lists, federal and concurrent. The federation used to infiltrate deep into the domain of concurrent list that’s why provinces were frequently demanding the abolition of concurrent list. Further, federal government prevails over provincial decisions by intervening into the provincial domain and bypassing the autonomous status of provinces in the matters where interest of federal government clashes with provincial interest (Ahmed, 2007, pp. 71-78 & 102).

The intervening role of the federation into provincial domain, through constitutional federalism or bureaucratic centralism, has been observed in case of appointment of governors, the higher bureaucracy, judges of high court and the matter taxation. The constitutional federalism and bureaucratic centralism both undermine provincial autonomy. For instance, in the whole Pakistan federal government controlled recruitment, transfer, posting training, promotion and demotion of civil servants by
centralizing the civil bureaucracy in 1984. In successful federations the civil servants are recruited as provincial cadre. Contrary to this successful pattern of recruitment, civil bureaucracy in Pakistan is enrolled as federal cadre. In this centralist bureaucratic model provinces are helpless, for instance the case of Inspector General (IG) police of Sindh province has been a bone of contention between federal and Sindh governments since the beginning of 2017.

The federalism in Pakistan experienced varied kind of changes ranging from centralism, populism and efforts for Islamization. These frequent changes could not create desired space for provincial autonomy. Pakistan frequently went under martial laws in 1958, 1977 and 1999. These martial laws had stopped the democratic development that could lead to provincial autonomy. In all the cases largely federation-provinces relations remained under stress, the main reasons, according to many social and political scientists, are frequent interventions of federal governments into political and economic matters of provinces, dictation of federal government to provinces and the denial or delay in giving provinces the due share in political and economic powers and resources (Ahmed, 2007).

In Pakistan the federal system has been running either in majoritarian or unitary mode which destabilized the federation-provinces working relationship because of interventions of central government into the following matters of federating units since the very outset of federal system in Pakistan (Mushtaq, 2009):
### Center-Province working Relations since Independence:
#### Central Government’s Intervention in Federating Units

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>1947</td>
<td>The ministry of Congress in North West Frontier Province (NWFP) had the backing of 33 members out of 50. But it was substituted by a Muslim League ministry.</td>
</tr>
<tr>
<td>1947</td>
<td>Sindh Assembly clearly opposed the verdict of Central Government to take the Karachi out of control of the Sindh and agreed on a resolution consensually. The Chief Minister of Sindh had to pay for this resolution and he was fired from his office soon</td>
</tr>
<tr>
<td>1948</td>
<td>Annexation of the state of Kalat into Pakistan.</td>
</tr>
<tr>
<td>1955</td>
<td>One-unit Scheme (unification of provinces and states into the One Province of West Pakistan).</td>
</tr>
<tr>
<td>1962-69</td>
<td>Presidential period of Ayub Khan (Federal system functioned similar to British Vice Regal System of 1930s).</td>
</tr>
<tr>
<td>1972-73</td>
<td>End of multilateral settlement and the deferment of the government of Baluchistan. Resignation of the government of NWFP.</td>
</tr>
<tr>
<td>1994</td>
<td>Governor Rule in NWFP and setting up a government favorable to the federal ruling party.</td>
</tr>
<tr>
<td>1995</td>
<td>Governor rule in Punjab and setting up a new government.</td>
</tr>
<tr>
<td>2002</td>
<td>17th Amendment has further questioned the federal charisma of the state.</td>
</tr>
<tr>
<td>2010-16</td>
<td>18th Amendment in the constitution of Pakistan 1973 has wide ranging impact on federation-provinces relations</td>
</tr>
</tbody>
</table>
3.4 POLITICAL AND ECONOMIC DIMENSIONS OF CONFLICT BETWEEN FEDERATION AND PROVINCES

The role of federalism to contain federation-provinces conflicts and to generate sustainable arrangements which can accommodate political and economic concerns of territorially concentrated units demands profound practical steps. The fallouts are at best varied as per domestic political and economic strength of a country. The downfall of Soviet Union, Czechoslovakia, and Yugoslavia has established a situation in which the effectiveness of constitutional federal structure has been questioned. Some scholars are of the view that the federations with democratic dearth generally endeavor to protect federal interests by ignoring the territorial units that eventually results in collapse of federations (Bunce, 2004). Further federations are difficult to govern (Watts, 1999, pp. 110–11). However, some research studies argue that federal system of government has been better than unitary system at reducing violent engagement (Amoretti and Bermeo, 2004, pp. 475–7). Fortunately Pakistan has experienced one unit system in its western part and federal system in the whole Pakistan as well. Therefore it is the most appropriate country to study the federalism. With this background, this study will examine the federalism and provincial autonomy in Pakistan and whether it was successful in holding together of the federal states despite diversity along religious and ethnic lines (Stephen, 2004). The problems of identity and conflict are consequences of many issues including provincial autonomy which has not only challenged the democratic basis of state system but posed various challenges even to the survival of state as federation. The most serious among the posed challenges is federation-provinces conflict (Abdullah, 2010; Adeney, 2009; Waseem, 1997).
Since the inception of Pakistan the issues of political identity and economic conflict in a federal system of Pakistan remained very influential in the political process. Provinces in Pakistan, as compared to India, were not reorganized on linguistic basis. The Pakistan has a number of sub ethnic divides in provinces along the major identities. For instance Balochistan, KPK, Punjab and Sindh also contain Pashtuns, Hindko speaking in Hazara, Saraiki, and Mohajirs respectively. These sub identities represent aspirations of sub communities under core identity of a province. In other federations of the world governments take language diversity as development but in Pakistan unfortunately federal and provincial governments has been using this as a hateful tool that ultimately created abhorrence between federation and provinces and among provinces. In Pakistan provincial languages have not been given much importance in constitution (Adeney, 2007: Ch. 5). Consequently the languages of provinces and sub identities were neglected by federal governments in Pakistan. This situation reduced the scope of provincial languages and federating units cannot become language based units. This is the main hurdle in the way of creation of new provinces in Pakistan. This delay in creation of new provinces further created the misbalance between the resource distributions between provinces. The smaller provinces were deprived of provincial autonomy. This led to the political rift between provinces and federation-provinces as well. In India the central government has managed this language issue even it has much more regional languages. The federal government must take some solid steps towards accommodating the diversity in to development (Rahman, 1996: 249).
Though, federal and provincial governments are interdependent but autonomous after 18th amendment in-terms of political and economic decisions and functioning within the constitutional framework of Pakistan. But historically the federal governments had continuously been under political and economic conflict due to reasons discussed onwards.

3.2.1 Federalism and Political Dimensions of Conflict with Provinces in Pakistan: Legislative and Administrative

Legislative and administrative issues have always been providing basis to political conflict of federation and provinces. Provinces in Pakistan are not only based but named after the lingual diversity; therefore language is considered an identity for the federating units. But federation could not address the lingual related demands of provinces in the parliament through legislation. Thus the first political cause of conflict between federation and provinces had been brought about the lingual diversity. It is beyond doubt that in lingual diversity the Pakistan has been and is still very rich. It has more than six main and around 59 small languages even today. This could be the source of cultural and national strength as the case of developed federations with plural and diverse culture. But Pakistan as federation remained not very successful in treating the diversity factor of its units to build social capital. Pakistan even did not try on sound footings to enact national integration policy by using regional consociational design. Despite the fact that Quid-e-Azam advised in March 1948 that Bengali is being recognized as provincial language but it could not get such status due to resistance of federal government. The Bengali language was viewed contradictory to Islamic values because it was written in Devanagari script. The difference on the basis of language in which different organs of the state dominated by West Pakistan
tried to make Urdu lingua franca of Pakistan. This situation invited a very strong reaction from the Awami League. Other political parties observed a strike in February 1952. This led to violence which ultimately sealed the destiny of Urdu in East Pakistan.

Administratively, federation itself put fuel to fire. Consequently the traditional and non-accommodative role of federal administration provided the strong grounds to language and identity politics in Sindh as well (Afzal, 2001). In federal state like Pakistan which has both diversity and inequality amongst the provinces, the language concern has expected eminence as expression of ethnic identity. When federal administration and concerned institutions did not pay any head to the issues coming from linguistic diversity the provinces were divided on the basis of spoken language. In the result provincialism took preference over the national interests. Where, the middle class Punjabi has already surrendered to leading English and Urdu oriented cultures, the conscious or unconscious act of federation of neglecting provincial languages giving the impression that Bulloch, Pashtuns and Sindhis are excluded from federation.

Another political dimension of conflict between federation and provinces is lack new legislation or poor implementation of the existing legislation made by the parliament for the working of existing institutions or to establish new institutions in-order to resolve traditional federation provinces conflict. The core responsible institution at federal level to resolve disputed issue between federation and provinces is Council of Common Interest (CCI). But it is considered political inefficacy at the part of federal government that from 1977 to 1990 and then 1999 to 2005 not a single meeting could be held of Council of
Common Interests (CCI). Similarly, in the years 2007, 2008 and 2009 CCI could not table any of the conflicting issues between federation and provinces. The provinces were kept on demanding the structural change of CCI in-order to have balance representation at this forum but federal government failed to do so for 43 years of the establishment of this institution. However, in 2010 it was restructured under 18th amendment (Mushtaq, 2009).

History of Federalism in Pakistan reveals that it is built on struggling democratic system under the mixture of democratic and military rule with majoritarian dominant culture. When federation left the provincial concerns unanswered federation gets into problem because in any democracy units of federation play important role in developing democratic norms like maintenance of rule of law. The best example of it is the demand of more provinces and the constitutional provincial status of Gilgit-Baltistan and FATA. In Pakistan under democratic system and military regimes both the elected and non-elected institutions of federation particularly at federal level did not respond quickly, efficiently and appropriately to valid political complaints of provinces. This provides opportunity to the smaller provinces to propagate the slogan of Punjabization or Pakistan is monopolized by one province. So, another political dimension of conflict between federation and provinces is due to neglected response of federal institutions to the real political demands of provinces (Waseem, 1997).

Further, many issues within the provincial territories are created by the uneven policy choices of federation towards the provinces. For instance, political violence occurred in Hazara region on renaming NWFP as KPK. A number of other protests have
also been observed in provincial territories due to prejudiced policies choices of federal government from 1947 to 2010 (Adeney, 2009). A number of other incidents in the political history of federalism are present where federal intrusion into provincial autonomy is obvious. For instance the dismissal of provincial government of Balochistan by federal government in 1973 and post dismissal actions of deputing military and bureaucratic officers had provided fuel to federation-provinces conflict.

3.2.2 Federalism and Economic Dimensions of Conflict with Provinces in Pakistan: Taxation, Borrowing, Production and Consumption Issues

A slight appraisal of history helps to understand the incidence of economic disparity at regional level and how it has generated situations of displeasure for provinces towards central government. The main source of provincial displeasure is due to non-consociational conditions mostly fixed with the imbalance economic decisions of the political governments at federal level. For instance, central led patrons of investment had been different in the former Eastern and Western provinces of Pakistan. It is quite open that investment was nearly double in the Western wing than the Eastern because of federal government unequal policies. Similarly the per capita income and GDP were raised at a much faster degree in West as compared to East Pakistan. The economic discriminations and disparity provided a pivotal push to secessionist feelings in East Pakistan (now Bangladesh) and enfeebled the legitimacy of federation to act as resource allocator.

Economic history of Pakistan indicates that more economic resources were allocated to those political units they accepted the military regimes in power (Noman, 1988; Sayyed, 1955). The economic disparity generated by federal governments between
provincial units caused incidence of unrest and riots more in East Pakistan than West Pakistan. These unequal patterns of economic development have played substantive role in generating disparities particularly amongst the provinces which have more ethno-linguistic formulations. The causes of economic conflict between federation and provinces in Pakistan rest with the political system and diversion of economic resources to few regions of big provinces. In Pakistan the partial resource allocation and diversion by the federal governments have created inequalities not only between federation and provinces but amongst the provinces as well (Stewart, 2000). The violent ethnic conflict in Karachi, insurgency in Baluchistan and incidences of sectarian violence on random basis elsewhere in the country are the reasons of divergences of economic resources. In addition, for the last ten years the country is going through violent conflict in North-Western and also in Southern Punjab someway being called a center for extremist elements (Abbasi, 2009; Malik, 2009). However some significant development indicators decreased the intensity of extremist in these areas of Punjab province. Unfortunately developments on the same lines could not initiated in rest of the provinces. Therefore, empirical evidence also submits that low development and inequality in economic development among the provinces bring relative economic deprivation which further creates not only situation of conflict between federation and provinces but pave the way for anti-state activities like separatism, extremism and terrorism.

Since, it has been observed that Balochistan and Khyber-Pakhtunkhwa (former NWFP), as compared to other provinces, demonstrate progress indicators low for the years but particularly after 2001 and FATA indicate even lower progress indicators and lower
level of development than Balochistan and KPK. That’s why, relative to other provinces, these are the low economic indicators of FATA, KPK and Balochistan which make these regions not only most susceptible for terrorism but they have more reservations and complaints from the federal government, hence more reasons and occasions of conflict with federation (Malik, 2009). Similarly, Southern Punjab due to higher level of poverty as compared to other regions of the Punjab is also under the influence of violent conflict and not only vulnerable for terrorism but annoyed from federal government for not accommodation the demand of separate province. The poverty is taken as proxy indicator of economic deprivation and political exclusion from mainstream political developmental process. This relative economic deprivation has proven links with identity materialization and politics of violence between federation and provinces in Pakistan (Malik, 2009; Stewart, 2000).

Indeed, distribution of economic or financial resources has been the central element of discontent in federal-provincial working relations. Unfortunately, since long the provinces have had strong reservations on the resource distribution formula. The provinces claim that the formula of distribution of resources has always been imposed on federating units by the federal government (Kundi and Jahangir, 2002). In 1951, Sir Jeremy Raisman examined the allocation of revenues between center and the provinces in Pakistan. His recommendation was to restore the plan specified in Government of India Act 1935. According to plan 50% of generated income tax receipts were to be distributed between the areas of East Pakistan getting 45% of divisible pool and the rest to be distributed among other areas of West Pakistan. Sales tax was to stay under central administration however
half of the receipts collected from a specific area could be with the provinces. The East Pakistan was permissible to acquire 62.5% basic on just duty. Undoubtedly, such injudicious dissemination of economic resources kept eastern province of Pakistan under-funded and a very big amount of the federal revenue went on western province dominated security essentials, therefore the total expenditures of western province were increased at such a level that the concept of parity went absent. For instance, in 1951 Federal government spent 18 Crore PKRs in eastern province while 480 Crore PKRs in western province of Pakistan. Similarly, only one third of the total external aid was consumed in eastern province of Pakistan (Choudhury, 2005, pp, 262-266).

The NFC Awards for the years of 1961 and 1964 were given on the basis of new administrative division under One Unit formula of 1955 in which four provinces of West Pakistan were administratively merged into One Unit. The resource distribution formula was designed on the basis of collections of sales tax, income tax, export and excise duties. The share in resources of Eastern and Western Pakistan stayed 54% and 46% respectively in the Awards of 1961 and 1964 (Ahmed et al., 2007). After dismantling of the one unit scheme, in 1970 the National Finance Committee suggested that 54% share would be allocated to East Pakistan while the remaining 46% will be allocated to four provinces as; Punjab 56.50%, Sindh 23.50%, N.W.F.P 15.50% and Balochistan 4.50%. In NFC Award of 1974 population was made the sole criteria of financial resources therefore share of four provinces was allocated as; Punjab 60.35%, Sindh 22.50%, NWFP 13.39% and Balochistan 3.86% (Ahmed et al., 2007). But it was unfortunate on the part of federal government that the funds dispersal had been set by taking only population factor as base.
but development requirements, like poverty, of respective provinces have totally been ignored (Kundi and Jahangir, 2002; Waseem, 1997). Smaller provinces showed discontent on resource distribution formula of NFC 1974 and registered protests in the parliament and provincial assemblies of NWFP and Balochistan that provincial autonomy has been compromised. This discontent on distribution of resources has still existed though federation of Pakistan used to assert after every NFC Award that reservations of provinces are addressed and resources have adequately been transferred to provinces in-order to ensure provincial autonomy. But provinces claim that only liabilities have been transferred but not the corresponding resources and the urge that like India, Pakistan requires some additional financial devolution (Mushtaq, 2009).

In 1981 the new financial resource distribution formula was presented. According to this formula shares of provinces in NFC Award were as; Punjab 57.97%, Sindh 23.34%, NWFP 13.39% and Balochistan 5.30%. Thus under the plan and greed formula for the NFC Award of 1981, share of NWFP remained unchanged, however Sindh and Balochistan secured more resources. Punjab had tried to get out of the charge of Punjabization by agreeing on comparatively less share in the Award. The share of Punjab was reduced from 60.35% to 57.97%. This NFC Award was a good step by the federal government towards addressing the issue of provincial autonomy. Therefore from 1981 to 1985 provinces did not raise any serious issue regarding provincial autonomy because they had taken not desired but comparatively more share in resources. There was no award in 1985 owing to political instability and indefinite consultation amongst center and the provinces; consequently from 1985 to 1990, the resource distribution remained virtually the same. In
1996 all taxes were included in the sharing pool so the percentage share of federal
government and the provincial reformed enormously i.e., from 80%:20% it become
37.5%:62.5%. However, the percentage of provincial shares remained almost the similar.
The divisible pool was revised with effect from July 1, 2002 on account of the 1998
Population Census (Ahmed et al., 2007). The apprehensions of Baluchistan increased many
folds throughout the last three decades or so. The problems have manifold magnitudes such
as representation, cultural identity and meaningful participation. However, it must be kept
in attention that from 1974 till 2006 the share of Baluchistan and NWFP (Khyber-
Pakhtunkhwa) has not been significantly changed. There is a development dearth which
demonstrates itself in the form of insurgency. The federation needs to take substantial steps
to resolve such deficits urgently and it should be put on national priority.

However, in 2009 under the seventh NFC award federal government has given
some weightage to poverty. It has been claimed by the federal government of PPP that
under the new award, transfer of additional fiscal resources of the country from federation
to provinces had been made through consensus of all provincial territories and federal
government and it is the first step toward economically strengthening the provinces. As a
result of Award of 2009 under the new formula of weightage Punjab got 51.74% form
divisible pool and claimed that it sacrificed for other provinces in-order to achieve
uncompromised level of provincial autonomy. Whereas, Sindh 24.55%, KPK 14.62% and
Balochistan 9.09% got out of the divisible pool. However 1% additional share in resource
distribution was promised for KPK in-order to balance expenditure incurred by the
province on war on terrorism. This additional share of KPK was equal to 1.83% of the
provincial pool. Further to compensate Balochistan was also promised to take PKR 83 billion as an additional transfer from the resource divisible pool in the first year of the award. This compensation for Balochistan was due to its acceptance of allocation of an equivalent burden to generation of revenue and collection of taxes. Sindh was promised to receive an additional fiscal transfer of PKR 6 billion from the federal government which is equal to 0.66% of the provincial pool.

The eighteenth amendment to 1973 Constitution made more funds available to provinces and since poverty has been incorporated in the criteria of fund allocation; there seems to be improved federal financial arrangement than before. As a consequence of 7th National Finance Commission (NFC) Award, the provincial share in the divisible pool of resources has been enlarged from PKR 655 billion (46%) to PKR 1,033.6 billion (56%) which is now more than the federal share. There is no example of such an enormous transformation in Pakistan’s constitutional history. Similarly, this time the public sector development program (PSDP) will be funded more from provincial exchequer than the federal one. With more funds being accessible to smaller provinces, a share of Baluchistan’s dissatisfaction has been addressed at large which can result in decrease of rate of fierce conflicts and feeling of hatred towards federalism.

In short the economic history of federation-provinces relations depicts that resource sharing between federal and provincial governments has been a disquieting issue because of many unaddressed serious concerns of provincial governments still exist on the formula of resource distribution and transfer of grants. The sharing of resources between the federal
and provincial governments has been a disquieting issue with a number of concerns raised on the formula of resource distribution and transfers through grants. However, it seems to be lack of political will and serious efforts on the part of federal government in particular and provincial governments in general to settle the question of conflict and distrust between them on resource sharing formula. Further, stabbing to population variable also substantiated to be a reason of conflict between the federal and provincial governments (Ahmed et al., 2007). The lack of federation-provinces unanimity over fiscal issues not only restricted the democratic process in Pakistan but created very serious political and economic problems over fiscal devolution. Unfortunately many NFC Awards did not pay any attention to these issues and when under 18th amendment these historical conflicting issues are addressed constitutionally, the implementation with true spirit is lacking. The devolution under 18th amendment was planned in 2010 but still provinces are raising complaints over the devolution process. This situation is adversely effecting federation-provinces relations because the effective and successful completion of devolution process was the primary responsibility of federal government. Further this situation once again creating the impression that federal government and the bigger province effectively control all resources available to the federation. The factors; economic backwardness and development gap between provinces, natural resource endowment, inverse income distribution (disparity between rural and urban income), revenue generation/collection, poverty, population density, area, environmental consideration and non-formula transfers, should be given due importance in-order to resolve federation-provinces economic conflict (Ahmed et al. 2007).
REFERENCES


Chapter-4

**FEDERALISM AND PROVINCIAL AUTONOMY UNDER THE CONSTITUTION OF PAKISTAN 1973: Political and Economic Dimensions Prior to 18th Amendment**
The fourth chapter revolves around political and economic dimensions of federalism and provincial autonomy under the Constitution of Pakistan 1973, prior to 18th amendment. Political dimensions of provincial autonomy denote devolution of legislative, executive or administrative and judicial powers to provinces. Whereas economic dimensions are about devolution of; taxation, borrowing (domestic and International) and production and consumption of goods and services, powers to federating units. In this respect fourth chapter deals with federation-provinces political and economic relations under identity and conflict paradigm. This chapter highlights that how in Pakistan highly federalized power structure had been resulting into provincial disparity.

The previous experience of Pakistan under the constitutions of 1956 and 1962 was bitter in terms of center-province working mechanism. Subsequently, things had become complicated. Therefore at the very outset of the constitution making process in 1973 acute differences came up between federation and provinces on the issues of form and content of the constitution, specifically over political and economic autonomy of provinces.

The governments of NWFP and Balochistan were not happy with certain provisions of the constitution of 1973 regarding center province relations. On November 17, 1972 a meeting of General Council of the National Awami Party (NAP) was called to demonstration opposition against constitutional accord. The NAP passed a resolution in its general Council to exhibit sever reservations on the proposed constitutional provisions regarding the role of Prime Minister in central administration and the role of Chief
Ministers at provincial level. The resolution expressed dissatisfaction over the quantum of provincial autonomy and imbalance power structure between center and provinces.

Moreover, provinces were critical of the proposed doctrine of direct recruitment to the national services under federal authority and the manipulation of electronic and print media by the federal establishment. The policy of direct recruitment under the control of federation gives more political and economic powers to center which ultimately shatters federation-provinces balance of power.

The federalism has been inquisitive and conventional in Pakistan because during the constitution making process; which would have to restore the uncompromised level of provincial autonomy with the political support of center, the federal government seemed to be losing patience towards the provincial protest over increased role of center and intervening powers of federation into the political and economic domain of federating units. Despite of addressing the grievances of the provinces on the proposed provisions of constitution of 1973, the federal government sorted the iron hand strategy to deal with the political challenges posed to the federal government by the opposition of provinces.

Surprisingly, the federal government violated the autonomous status of the provinces instead of restoring the provincial autonomy. Severe federally prejudiced constraints were imposed by the federal government on not only the political leaders of opposition but on the provincial governments as well. Contradictory to the spirit of provincial autonomy the federal government mobilized police, federal security force and
military to crush provincial disagreement. It became ostensible that Bhutto who was leading the federal government had given a clear hint to the provincial governments to strictly follow the given track of governance designed by the federal government. It was peculiar that Bhutto had to depend on military and bureaucracy and it seemed that the political history of federation-provinces conflict was repeating itself in Pakistan.

Consequently, violent clashes between the federal government and opposition became a regular feature in the National Assembly. On March 23, 1973 the parliamentary opposition political parties gave a protest call for “Pakistan Black Friday” to protest against authoritarian partialities of the federal government due to which the political and economic rights of the provinces had been detouring (Surendra Nath Kaushik, 1984). The subsequent violent clashes in Punjab between the government and opposition and tense situation in Sindh portray the height of frustration at provincial level. The provinces were protesting against federal government’s ruthless posture. In a series of quick moves to reassert federal authority, in February 1973 the Bhutto imposed central rule in NWFP and Baluchistan. The Bhutto installed puppet governments replacing the democratically elected NAP-JUT coalition government in-order to counter the challenge of mounting provincialism.

Though challenges towards approval of the new constitution were severe, apparent and multifaceted. But Bhutto got successful in contriving the political support of all the core political parties for the proposed constitution. On April 10, 1973 the new constitution finally was approved by the national assembly. On August 13, 1973 Bhutto assumed office of the Prime Minister of Pakistan and the new constitution of Pakistan came into force on
August 14, 1973. Thus a significant phase of the political life of Pakistan was completed. Pakistan embarked upon the parliamentary-federal phase with the adoption of new constitution, which remained adjourned for more or less two decades. Many political scientists argued that the adoption of new constitution was a significant landmark towards provincial autonomy in Pakistan. Because in the beginning, it was thought that being accepted to all political stakeholders the constitution of Pakistan 1973 would succeed to evolve measures in resolving the multifarious challenges to federal-provinces relations by means of giving political and economic autonomy to the provinces under federal-parliamentary framework. There was reason enough to expect that the federal government would have learnt lessons from antecedents of Pakistan, especially the political role of military and apprehensions about its comeback.

Unfortunately, it has been observed that the constitution was not fully equipped with the provisions to developing a positive outlook towards the ideals of democracy and provincial autonomy. Despite the constitutional framework, Pakistan was not explicitly concerned with resolution of major and persistent challenges and problems of federating units. The first hurdle in the way of achieving provincial autonomy at maximum level was basically lust of federation to extend the authority of federal government. Secondly, the constitution was essentially a document MI of paradoxes and contradictions. To begin with, it incorporated a confusing dualism of Westminster model or western-democratic framework and Islamic theology. Thirdly, within the federal-frame-work one could discern a high degree of centralization of powers in the office of chief executive. It was not
surprising that the new constitution came to be identified as an accumulation of conflicting and contradictory trends, pulling in different directions.

4.1 DEMOCRATIC AND MILITARY REGIMES (1973-2010) IN PAKISTAN AND PROVINCIAL AUTONOMY

In political theory obviously federalism works as a bridge to keep provinces integrated with central administration. But in case of Pakistan under the constitution of 1973 the nature and issue of federalism has created manifold challenges towards integration and endurance of state. The constitution basically was outcome of several compromises because blood still was coming out of the cuts of east Pakistan.

As the political and economic powers of provinces under the constitution of Pakistan 1973 are concerned, apparently it has been observed that there was inadequate autonomy awarded to the units no remedy was there to stop violation of center and the establishment confirmed strong center with the federal executive more-stronger than any other institution. Another aspect is that the constitution envisioned covering all matters which did not fall within the federal or concurrent lists of subjects but the subjects within purview of the provinces were left undefined.

The federalism in Pakistan went to distortion very soon by the modifications of constitution framed by civil and military governments both. Institutions remained weak due to the consecutive amendments. For instance the council of common interests remained
ineffective for a long period of time. Though constitution introduced democracy as system but practice was different. The passing of budget was the same as prescribed in the Indian act of 1935 (Hanif and Khan, 2012).

**41.1 Political dimensions: Autonomy of legislative, executive or administrative and judicial power for provinces**

1) Provincial Autonomy and Zulfiqar Au Bhutto’s Government 1973-77

2) Centre-Province Relations and Provincial autonomy in Pakistan under President Zia 1977-88

3) The Period of Troika 1988-99

4) Musharraf Regime 1999-2008

5) PPP Government before 8th amendment 2008-2010

1) **Provincial Autonomy and Zulfiqar All Bhutto’s Government (1973-77)**

The excessive centralization of authority with the federal government was in practice when in 1971 Zulfiqar Ali Bhutto took the charge of federal government. The aim of Z.A. Bhutto to enact the constitution of 1973 indeed was to provide concrete measures for political, economic and legislative decentralization, primarily to ensure the maximum provincial autonomy under the unchallenged authority of center. But the strategy to achieve the goal of decentralization was somehow contradictory to it. This dualism of Bhutto’s politics badly affected the spirit of federalism and gave upsurge to provincial unrest and centrifugal forces. Bhutto did riot learn much from Pakistan’s disintegration of 1971 resulted due to unresolved economic and political matters between center and Eastern
province. Though, Bhutto had a good opportunity of making a fresh jerk towards political
and economic provincial autonomy in the new constitutional framework. He, unfortu-
unately, failed to clutch the opportunity of resolving the provincial concerns by
adopting the flawless constitutional provisions. Consequently, incompatible claims of
regional obsessions broke out and prospects of national integration and viable federal
system were distorted.

The political and economic outlook of federalism indicates that no government in
Pakistan at any time of its functioning offered precedence to reconcile national sovereignty
with provincial aspirations. In-spite of the significant plural context of society in Pakistan
the rulers, when they are out of government, actively advocated the maximum provincial
autonomy but contradictory to it when the same rulers are in government they always
supported a strong central government for Pakistan. For instance, manifestoes of NAP and
PPP in the elections of 1970 were almost equally committed to maximum provincial
autonomy. But after assuming power Bhutto found it difficult to fulfill the promise of
ensuring aspired autonomous status of provinces despite it was on the top of PPP manifesto.
Further it would be thought-provoking to refer that the demand of regional autonomy was
negated even to the very inception of Pakistan and like the former rulers of Pakistan Bhutto
too gradually converted to a supporter of powerful center. The complete period of
constitution making witnessed conflicts between center and the provincial governments on
the issue of the quantum of regional autonomy that the new constitution of 1973 envisaged.
The new constitution adopted with federal frame work provided provisions, regarding
relations between the center and provinces, contrary to established norms of federalism.
The 1973 constitution provided 60 subjects for federal list and 47 subjects for concurrent list. The residuary powers were vested in the provinces. Unluckily the federal list included a wide range of subjects. It included foreign trade, railways, mineral, oil and natural gas, industrial development, nuclear energy, income tax etc. These were certainly not supplementary subjects but very important in nature. This was against the charter of autonomy originally demanded by the political parties; Jamiat Ulma-e-Islam (JUI) and National Awami Party (NAP) while ruling in NWFP and Baluchistan. Initially at the time of enactment, the constitution of 1973 did not clarify which law will prevail on the account of a conflict between central law and provincial law on any subject in the concurrent list. This flaw created rift between federal and provincial governments. Further, the Senate, the Upper House of the central legislature having provincial representation at federal level, was lacking the political and economic authority. In all matters on the federal list with the exception of three-it would only have recommendatory and delaying powers. In case the Senate differs from National Assembly, the matter would be resolved by a joint session of the two houses, through a majority vote. Thus even the Senate had hardly a role to perform as the supervisory body of the political and economic interests of the provinces.

The provincial autonomy was put at risk with specifically inclusion of ‘Principles of Policy’ in the constitution as it was provided that federal government will determine the loyalty of citizens towards state. It increased opportunity for intervention of central government into the provincial domain. And under the same provision NAP was disbanded. Surprisingly, there was no remedy against the intrusion of center in provincial
matters, The ‘Principles of Policy’ was declared no justifiable by leadership predominantly of Baluchistan and NWFP.

It was unanticipated that on the one hand during Bhutto rule the federal government apparently showed some concerns for provincial aspirations to begin with, but on the other hand when time came to consolidate the support base for center from regional units at the time of constitution making, the federal government faltered and renounced such opportunity. Certainly the provinces had not bargained for such flouting of heightened expectations and negation of rightful aspirations. Perhaps, for own political survival, the Bhutto seemed intent to prove that his democratic pronouncements need amendments. Therefore soon the process of amendments in the constitution of 1973 started which created further visible multidimensional impact over the provincial autonomy.

Therefore it is very important to analyze the constitutional amendments under Bhutto regime which had a great impact over the political and economic autonomy of provinces.

i) First Amendment to the Constitution of Pakistan 1973 and Provincial Autonomy: Significant stress in federation-provinces working relations

In 1974 the first amendment deleted clause (2) from the Article 1 of the constitution. This clause was about the eastern wing’s’ representation in federation. This amendment acknowledged federalism failure in Pakistan. After this amendment federation and provinces relations got apparently tense and weaker.
Under first amendment some other very important changes were made for instance; under article 17 freedom of association was changed. This was amended by raising slogan for national integration. But a political party NAP was banned in 1975 under this amendment and the political workers of NAP had become the victim of this amendment. Therefore stress in working relations of respective province and the federation was obvious that further increased the insecurities of other provinces from the federal government.

However, the good impact of first amendment over federation-provinces relations and the provincial autonomy was reduction of intervening days between meetings of upper and lower houses of parliament and provincial legislatures from one hundred and thirty days to ninety days only. This provided provinces an increased chance to raise their concerns on the forum of senate and provincial assemblies. Further this amendment increased judicial autonomy of provinces as the powers of chief justice of high court were increased (First Constitutional Amendment, 1974).

ii) The Issue of Provincial Autonomy under Third and Fourth Constitutional Amendments

Third amendment to the constitution of Pakistan brought significant stress between working relations of federation and provinces because this amendment used to victimize the political leadership at provincial level but again Punjab was excluded consequently smaller provinces got more annoyed to federal discrimination policy. It is important to consider that third amendment was introduced and approved by the National Assembly on 12 February 1975, just two days after the enactment, National Awami Party; the focal
opposition political party, was banned by the federal government and its leaders sent to jail. As such, it affected retroactively the legal safeguard of leadership of the party, several of whom were detained exactly on the grounds stated in the third constitutional amendment. It is conspicuous that initially no official statistics have been published by the federal government held in preventive detention in the three provinces other than Sindh. The figures quoted in the Leader Newspaper’ relate only to the province of Sindh and do not include preventive detention figures for the other three provinces, including the Punjab, the most heavily populated province where there is a vocal opposition. This clearly shows the federal prejudice towards provinces (Amnesty International Report, 1977).

Political strains between federation and provinces further heightened because estimates, given by the federal government, of the numbers of political prisoners held at any one time vary widely. On 10 December 1975 the Attorney General of Pakistan stated that there were nine political prisoners in Pakistan. This figure was given in response to an unofficial estimate of as many as 38,000 published in the 29 November 1975 issue of the British magazine, the Economist. It may well be true, as the Attorney General suggests that a large number of prisoners referred to detain under the preventive detention laws, other than DPR, are indeed being held under the security provisions of the Criminal Procedure Code. Though, the figures for 1975-1976 were not even published by the federal government but it is clear from statistics time to time published in reliable magazines and reports that every year hundreds of prisoners had been arrested and kept in preventive detention on political reasons under the third amendment (Amnesty International Report, 1977).
On 25 November 1975 the Constitution (Fourth Amendment) Act 1975 was passed. This amendment got intervened the judicial frontiers of the provinces and clearly violated provincial autonomy. Under the amendment High Courts were outlawed from prohibiting the federal government to issue preventive detention order. This amendment restricted the legal autonomy of provinces. Anyhow the good impact of this amendment on the federation and provinces relations extended for the incensement of six minority seats within national assembly and in Punjab assembly raised seats from three to five (Fourth Constitutional Amendment, 1975).

iii) Fifth Constitutional Amendment and Autonomy of Provinces

This amendment was passed on 15 September 1976. Under this constitutional act the following major changes; which have visible impact on political and economic autonomy of provinces, in the constitution were brought about. Under this amendment a declaration was made that permanent residence of respective province for the appointment of governor stood mandatory. But theory about provincial autonomy largely advocates that the Governor of any province must hold permanent residence and vote in that province. So, this amendment violated the spirit of political and economic status of the provinces till the 8th amendment which revered it according the theoretical foundations.

Further, in-order to grant more powers to federal executive to intervene the provincial matters, Supreme Court was restricted to provide any remedy to provinces against the activities of federal government in provinces. This was made subject to the
article 175 (2). This is against review powers pertaining to Supreme Court as well. This amendment discouraged the provinces of registering their grievances against federation in the Supreme Court.

Moreover, Courts were restricted to pass any order under article 1999 to stop operation launched by federal government in any provincial territory despite of the unwillingness of the government of the respective province. This was to protect the federal executive mainly which was actively intervening into the matters of provinces.

However, in many ways the Fifth Amendment strengthened the autonomous status of the provinces as well. Separation of judiciary from executive was amended and increased from three to five years. This at least clogged the interventions of federal bureaucracy into provincial at least judicial matters. Secondly, the amendment in Article 192, for clauses (2), (3) and (4) further strengthened the judicial and executive autonomy of the units of federation. In clause (2) of the Article 192, it was declared that the High Court Baluchistan and Sindh shall stop to function as a shared high Court for the provinces of Sindh and J3aluchistan. Under clause (3) declared that the President by Order must establish a High Court separately for the provinces of Baluchistan and Sindh.

The president may make such provision in the Order for seats of both Courts separately, the transfer of Judges of the common High Court, transfer of cases undecided in the shared High Court instantly before the instituting of two High Courts for matters substantial or auxiliary to the shared High Court ceasing to operate and the institution of two High Courts as the president may judge fit. The mutual High Court of Baluchistan and
Sindh were dissolved and separate High Courts for these two provinces were instituted. Thirdly, the amended Land Reforms Ordinance 1976 further enhanced the economic autonomous status of provinces (Fifth Constitutional Amendment, 1976).

iv)  **The Case of Provincial Autonomy under Seventh Constitution Amendment**

Under this alteration of 1977 provincial judiciary (high courts) were restricted from exercising authority under Article 199 in relations to any area in which the armed forces were acting in aid of the civil power in pursuance of Article 245, Surprisingly, no any supervisory body in the constitution was provided to critically analyze the process and consequence of enactment of such Article over the provinces. By this article the federal government had earned an opportunity to put pressure over the provincial governments by deploying armed force as in the case of Baluchistan during NAP-JUI coalition government (Seventh Constitutional Amendment, 1977).

2) **Centre-Province Relations and Provincial Autonomy in Pakistan under President Zia**

On 4 July 1977, after deposing Prime Minister Bhutto, Ziaul-Haq declared martial law, and appointed himself Chief Martial Law Administrator, which he remained until becoming president on 16 September 1978. Zia had promised for elections at national and provincial level within 90 days after assuming the office of chief martial law administrator but postponed. This led adverse feelings in political circles at provincial level and federation-provinces relations were badly affected. The postponement of elections turns into the absence of parliament. Therefore Zia decided to continue its regime with
alternative system and introduced technocratic majlis-e-shura in 1980 in which experts of different fields (but limited field) the members of this parliament—that was selected, not elected. This again created resentment among the provinces for federal government but Zia did not bother the provincial aspirations. Zia later announced elections in 1985 on non-party basis. The whole period of Zia regime increased the provincial deprivation and neglected provincial autonomy. However, RCO 1985 put more impact on federation provinces relations.

i) Revival of Constitution 1973 ORDER (RCO) 1985 and Autonomy of Provinces in Pakistan

Pakistan Supreme Court conferred the powers to amend the constitution on Zia while deciding the case Nusrat Bhutto vs. Chief of Army Staff (PLD 1977 S. C. 657). Zia, by exercising conferred powers for constitutional amendment, on March 2, 1985 comprehensively amended the constitution of Pakistan under RCO that had visible impact over federation and provinces working relations and ultimately on political and economic autonomy of provinces.

The objective resolution; that was already the part of the constitutions of 1956, 1962 and 1973 as preface, was made the operative part of the constitution under article 2. For this some modifications had been made. From the paragraph six of the resolution the word ‘freely’ for the religious practices of religious minorities was omitted. Thus 3185622 people of provinces they were non-Muslims in 1985 (SAFHR, 1996) were deprived of the basic right of religious freedom by omitting the word “freely”. Provinces enjoy autonomy
in-terms of legislation only when provincial legislatures are freely legislating laws for the people of province irrespective of cast, color, creed and religious discrimination. But if representatives of the 3185622 citizens across provinces (out of which 21% are voters) are deprived of debate over their religious freedom which had already been given in objective resolution, it not only affects the legislative process but also legislative autonomy in democracies of the modern world. Accordingly it is beyond doubt that RCO 1985 or 8th constitutional amendment questioned provincial autonomy in Pakistan (Moghal, 1996).

   ii) Modification of Electoral College and increased provincial share in federalism

The Electoral College for president under RCO was altered. The seats of Senate were increased from sixty three to eighty seven. Reserved Seats and seats for FATA were also increased from three to five and five to eight respectively. Seats for Islamabad were also increased from two to three. This extensive representation of provinces however decreased the level of provincial resentment towards federation (RCO, 1985).

   iii) Importance of Senate as the Representative House of the Provinces Increased

This bill increased the importance of senate in this sense that if president send a bill back by using veto powers under RCO, the parliament may send it back by passing again the same bill in joint session. This actually increased the confidence of provinces under 8th amendment.

   iv) Recognized Role of Provincial Assemblies for the Amendment to the Constitution
The procedure of amendment of the constitution was modified. Under the amended provision any article or clause of the constitution can be altered by the two-third majority of parliament with complete majority at provincial floors. Further alteration made in procedure under presidential ordinance 20 of 1985 was made and it dispensed on provincial assemblies that only that constitutional amendment would be taken on provinces which could affect the limits of provincial territories (RCO, 1985). In such cases the provincial assembly with two-third majority may amend any clause and the governor will act upon the advice of the provincial assembly.

v) **Governor as Repetitive of the Federation Eroded the Provincial Autonomy**

The political autonomy of the federating units remained under threat because governor of any province had powers to appoint chief minister any member of his choice from the members of respective provincial assembly. This eroded the provincial autonomy because chief minister who should be the dependent of the members of provincial assembly for holding the chief minister office but under Zia regime this was adverse and the chief minister was dependent upon the pleasure of governor not the provincial assembly.

vi) **The Amendment in procedure for passing the motion of vote of no confidence against a Chief Minister neglected the provincial autonomy**

The procedure of vote of no-confidence for chief minister was amended and the requirement of provision of the stand-in candidate was outmoded. This increased the dissatisfaction among the political parties and provincial assemblies. It led the tense working relations between federation and provinces.
vi) Provincial Autonomy under Balanced Proportion of Population

The members of lower house were increased in numbers from 200 to 270 for Muslims and ten seats were reserved for minorities. This brought about the proportion in representation in parliament. The minorities’ seats in Punjab, Sindh, NWFP (KPK) and Baluchistan were also increased from five to eight, two to nine, one to three and one to three respectively. This increased the confidence of provinces over federal government because the balanced proportion of seats in federal and provincial assemblies is the essence of democracy and the source of provincial autonomy (Pacific Affairs, I 988).

<table>
<thead>
<tr>
<th>Province</th>
<th>Christians</th>
<th>Hindus and other belonging to the scheduled castes</th>
<th>Sikh, Buddhists and Parsi communities and other non-Muslims</th>
<th>Those other belonging to Qadiani group or Lahori group (who call themselves Ahmadi)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baluchistan</td>
<td>1</td>
<td>1</td>
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<td>-</td>
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<tr>
<td>Northwest Frontier Province (NWFP)</td>
<td>1</td>
<td>-1</td>
<td>1</td>
<td>1</td>
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<tr>
<td>The Punjab</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<td>Sindh</td>
<td>2</td>
<td>5</td>
<td>1</td>
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On the basis of separate electorate these members were supposed to be elected at the same time. This separate electorate for the minorities had increased provincial sentiments towards federation because it was ever first in the history of Pakistan that minorities were given the right to separate electorate (RCO, 1985).

viii) Withdrawal from the Original Constitutional Arrangement Neglected Provincial Autonomy

The absolute administrative powers were given to the office of president under RCO 1985 that created the displeasure in provincial units because in the provincial territories the subordinate offices of the presidents were executing the powers confer upon them. This ultimately meant for the federal rule over the provincial territories as well. This was withdrawal from the basic constitutional spirit. In this way president over prime minister and governor over chief minister had distinguished status that neglected provincial autonomy in-terms of execution of administrative and politic powers(8th Constitutional Amendment, 1985).

ix) Judicial Intervention of Federal government into Provincial matters

In-order to settle the cases of own interest the president under RCO had given powers to transfer any judge of Supreme Court to the provincial court to act as chief justice of any high court. This was actually judicial and political threat of the federal government to the provinces for not to file any case against the federal led activities within the provincial territories.
x) Establishment of National Security Council Excluding Chief Ministers of Provinces

It was unfortunate in Pakistan that the established National Security Council under article 152-A was constituted without the membership of Chief Minister. It was included president, prime minister, chairman senate, three chiefs of armed forces and Joint Chiefs of Staff committee but territorial representation through chief minister was not granted. This created unpleasant feelings among the provincial units and political rift between federation and provinces.

xi) Eighth Constitutional Amendment and the debate of Provincial Autonomy

The eighth amendment mainly endorsed the altered articles under RCO. However, it transformed some of the amended clauses of RCO on November 11, 1985. However the amendment greatly affected the federation-provinces relations and provincial autonomy under federalism in Pakistan.

However the restriction over the powers of governor to appoint a chief minister was imposed and restricted to three years that will go up-till March 20, 1988. After such date governor will invite the member of provincial assembly who could obtain the vote of confidence from the provincial assembly. Though limited but at least election of chief minister under the principle of majority of members of provincial assembly was restored. But even then the provincial assembly was at risk as governor had powers to dissolve the provincial assembly without taking the consent of chief minister.
Another important feature of this amendment was the omission of NSC which was established under article 152-A. Though chief ministers of the provinces were not the part of established NSC but chairman senate was representing the NSC, and declaring dysfunctional of any institution is not helpful but it is reforms that could ensure the provincial autonomy (8th Constitutional Amendment, 1985).

xii) **Provincial Grievances over the Proposed Bill for Ninth Amendment**

In this amendment bill the article 2 in 1986 was proposed to be extended to the provincial territories with extended powers of Federal Shariat Court in terms of taxation and fiscal laws. The FSC was primarily the federal body that’s why provinces had taken it as the tool of federal government to intervene into the fiscal matters of provinces. It left a stress between federal government and the provinces, particularly the center and Sindh province.

xiii) **Tenth Amendment 1987: Increased the Opportunity of Provincial Representative House to participate in the joint session of Parliament**

This amendment was passed on March 29, 1987 which reduced the number of days from 160 to 130 that national assembly and senate required to meet. These again increased the opportunity for provincial representative house to debate and aggregate the provincial interests from central government (Tenth Constitutional Amendment, 1987).

xiv) **Impact of Islamization Program of President Zia on Center-Province Relations**
The Islamization program of president Zia-ul-Haq has its repercussions upon political process of the Pakistan and the consequences of the government’s Islamization program have great impact over the center-province relations as well. President Zia used Islamization program as a tool to legitimize government and to suffocate provincial opposition that was; in his opinion, the main hurdle between center-province good relations. This program essentially had become a clash between Islamic fundamentalism and secularism. This program further compounded the problem because the smaller provinces had widespread perception that the Islamization process is an abrasive and obscure attempt to enforce Punjabi culture and ideals on the rest of the state. The interpretation that Pakistan is being Punjabized seemed to be true because the armed forces and the bureaucracy being the two major state institutions were overwhelmingly dominated by Punjabis. Therefore, it is this Punjabization of three other provinces that the central government imposed highly centralized and Islamic approach towards center-provinces relations; consequently it had adverse effects on the process of developing federalism in true spirit in Pakistan.

The federal government emphasized on Arabic and Islamic culture but the way federal government wanted to implement this program had generally been unheeded by provincial government because this had Zia’s President extreme centralized approach towards center and provinces relations prejudice to unit basis opposition towards federal policies that increased concealed anti state propensity had badly affected national assimilation process. Sindh unrest in 1983 and declaration of the Revival of Constitution
of 1973 Order in 1985 are examples to demonstrate condition of center and provinces working relations and response of federal administration towards this matter.

In 1983 there started uprising in some parts of rural Sindh. This political unrest at provincial level proved the main challenge to endurance of the regime of President Zia. The precipitant to the internal conflict between federation and provinces was speech of president Zia on 12 August 1983 in which a plan to proceed with non-party legislative elections was outlined by the federal government.

The Islamization program of President Zia failed to attract the centrifugal political forces in Sindh, Baluchistan and North West Frontier Province (NWFP). Further it nevertheless had the valuable result because this program augmented the provincial grievances towards center and the federalism remained failed to stop the intervention of center into the provincial matters, In other words this program sabotaged the provincial autonomy, On the other hand, the Movement for the Restoration of Democracy (MRD) adopted as a political program offered better scheme for the restoration of center-province relations on well footings by granting the provinces a large degree of political and economic autonomy. The MRD movement was supported by the existing preconditions which gave Sindhis the strong reasons to stand against the Martial Law government. The political agitation against the federation was predominantly limited to some areas of interior Sindh, like Dadu, Hala, Khairpur, Nawabshah, and Larkana, but it turned into unconstitutional mass protests and the destruction of symbols of authority of the federal
government for instance, railway lines, police stations, post offices and other government installations.

Initially the central government left the unrest to provincial police to deal with. But when the movement developed into far-reaching uprisings and threatened the economic affluence of Punjab Zia decided to take sterner actions to control the political unrest against the federal government. Two army divisions were sent to deal with the situation and to establish the writ of federal government in rural Sindh. The Army men disarmed the undependable and ineffective Sindhi police constables, to quickly quash the uprisings against federal government. The army followed anti-guerrilla fighting strategies. The Army was kept on surrounding villages or towns turn by turn with troops and carried out house-to-house search-operation to wash out the unrest element.

Although the intervention of federal government into Sindh to control political unrest through army was successful to end trouble but unfortunately it turned into high rate of deaths. This created rift in federation-province relations. Though in November 1983 the federal government declared that the situation in Sindh is well under control but widespread and deep-seated discontent among Sindh is, especially in rural areas, had been observed. There were some constitutional reasons for abrupt upsurge of political unrest in Sindh which thither intensified the deprived feelings of provinces and a strong center that created federation-province relations bitter.

First, the representation of Sindhis in bureaucracy and military was already low even in the regime of Bhutto but it further deteriorated after ouster of Bhutto. For instance,
the rural share of Sindhis in the central administrative Secretariat under the quota system of constitution of 1973 was 11.4 percent of the positions. However, the actual representation of Sindhis was substantially lower with 5.0 percent at grades 16-22 and 3.7 percent at grades 20-22. On the other hand, the urban Sindh which essentially refers to muhajirs was allowed have 7.6 percent of the national quota under the constitution of Pakistan 1973 but the number in the Secretariat of the people from urban Sindh was exceptionally over-represented with 23.2 percent at grades 16-22 and 21.8 percent at grades 20-22. Similarly, in corporations under the control of federal government the rural Sindhis had only 3.6 percent share of the positions as compared to urban Sind’s 47 percent. Similarly, Sindhi representation in armed forces, although difficult to determine exactly, was below their ratio in population. This reflects the discrimination and constitutional violation on the part of federal government against the rural Sindhis.

Secondly, the constitution of 1973 held the state responsible to manage the basic necessities of life for the citizens of Pakistan and the federal government essentially represents the state under federalism. Therefore ultimately federal government was responsible to provide required support to the provincial government in-order to manage thrive socio-economic conditions in Sindh province. But in rural Sindhis 65 percent people were living below the poverty line. This created deep feelings of frustration. Lieutenant-General SM. Abbasi as the former governor of Sindh acknowledged that worst socio-economic conditions of Sindh province are mainly the reason for the political unrest in rural Sindh. Unfortunately the discriminatory and unwise political role of the federal government towards provinces can be traced back in the early time of inception of Pakistan.
when the federal government decided to allot around 40 percent of the property left behind by the out-going Hindus to the incoming muhajirs not local Sindhis. This caused a massive dislodgment of tenants of Sindh province from the land which they had been cultivating since long. The situation went worst with the allotment of land to the non Sindhi quarters. Furthermore, it was due to the discriminatory policies of federal government that of the land policy in Sindh was discriminatory and favored big landlords who owned 79 percent out of total arable soil. Further the federal government discriminates even amongst the units of states through its policies. This violates the equality spirit of constitution of 1973.

In this context the general economic development of rural Sindh was clearly lagging behind, compared to the rest of the country. That’s why during this specific time period political unrest in Sindh was evident. This further created the resentment of provinces towards federating units. However, the discriminatory behavior of central government towards federating units has been demonstrated in the following table:
Thirdly, before the 18th amendment the federal government was dealing with education as subject, therefore prior responsibility falls on the shoulder of central government to provide the equal chances of educational development in urban and rural areas of each province. But census revealed drop of rate in literacy within rural Sindh. This drop had been observed as 17.5% during 1972 while 5.7% in 1981. The federal government was unable to develop all parts of the provinces on equal grounds despite it was its constitutional binding, consequently opposite to the rural Sindh, literacy rate in urban Sindh had been observed as increased from 47.43% to 50.77% which created the relative deprivation among the rural parts of Sindh province. These figures not only damaged the image of federation but reinforced the negative perception the Sindhis regarding the policies of federation as well.
It is attention-grabbing for a student of politics that the Punjab province failed to respond to the MRD’s call for a popular uprising against the federal government because along with other reasons this province has comparatively more share in the federation than other provinces. In other words the Punjab had been enjoying more political and economic autonomy as compared to other provinces. As with the Punjab, NWFP and Baluchistan were also unenthusiastic in endorsement of the MRD movement. NWFP demanded provincial autonomy at large but the MRD leadership and ineffective PPP government were not trust worthy for the province. The Baluchi people were already annoyed with the PPP and Sindh due to intervention in their province from the central government during Bhutto government. In this way the ultimate goal of even annoyance was also the provincial autonomy, directly or indirectly.

The issue of provincial autonomy weakened the ties of units with the federation in Pakistan. For instance, the political unrest of 1983 in Sindh was led by Sindh Awami Tehrik (SAT) by raising the jingle of provincial autonomy! In 1983 Sindh Awami Tehrik (SAT) was demanding greater provincial autonomy, more equitable share of economic and political power at center, arid an increase in resources allocated for rural Sindh. This political move for greater provincial autonomy made it conceivable for almost all members of Sindh community to get involve in political move against center to articulate their economic and political rights.

The solution of the Sindh’s political unrest was sorted out in providing more political autonomy and economic share to the Sindh, particularly the rural part of the
province. Accordingly, it decided by the federal government to meaningfully increase the fund allocation for development of rural Sindh. It is evident that provincial autonomy was so hot issue in 1983 that political unrest was on climax and federal minister for planning had to public all the details of the developmental share of Sindh because it had revealed to federal government that the political unrest is mainly expression of provincial political and economic deprivation. The federal minister for Planning and Development had to announce developmental contribution of center towards the province that in 1982 the federal government had opened 2,500 primary schools in Sindh and Rs 5.5 billion had been spent in Sindh provincial budget during the last five years. Additionally, in the Sixth Five-Year Plan of 1983-88 over Rs. 15 billion would be allocated to the development of Sindh and of which two-thirds would be directed to the rural areas. Finally, the federal government had to approve the disbursement of loans of Rs 270 million worth for interior region of Sindh.

Although the federal government increased development funds for the interior of the province, but most Sindhis still felt that their grievance had fallen on deaf ears, for the 1983 unrest had not only been a matter of economics, but also of political representation at the center. This feeling of not having a voice in Islamabad was further compounded by the heavy presence of non-Sindhis not only in the urban areas but also in the interior. This fact however, could not be corrected regardless of the government in power; for it would mean to evict non-Sindhi agriculturalists for the sake of assuaging Sindhi feelings. This political price, no federal government could be expected to pay. It is an essential ingredient of the process of national integration that in any modernizing political system the demand for the sharing of power at the center must be accompanied by a willingness to allow foreigners
to share power at the local and provincial level, So, while Zia was able to contain the potentially explosive situation and survive the crisis with only minor consequences, such as the boycott of the local elections,’ the basic causes of the unrest were not, and still have not been, corrected, as the subsequent August-September 1986 disturbances, mainly restricted to Sindh, clearly demonstrated.

The Zia government’s most constitutional aspect has been the RCO in 1985 which substantially altered original 1973 Constitution. Although in the context of the role of Islam in the administration of the country and the increased powers of the president, the RCO instituted major changes in the field of center-province relations, it merely reinforced two political trends which have existed since independence: a further restriction on the province’s autonomy and a continuation of the Punjab’s domination at the center.

### Distribution of Seats in the Majlis-E-Shoora

<table>
<thead>
<tr>
<th>Territory</th>
<th>National Assembly</th>
<th>Senate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Punjab</td>
<td>128</td>
<td>19</td>
<td>147</td>
</tr>
<tr>
<td>Sindh</td>
<td>50</td>
<td>19</td>
<td>69</td>
</tr>
<tr>
<td>NWFP</td>
<td>28</td>
<td>19</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>Baluchistan</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>----------------</td>
<td>-------------</td>
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<td>----</td>
</tr>
<tr>
<td>FA.T.A</td>
<td>8</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Islamabad</td>
<td>-</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Minorities</td>
<td>10</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>237</strong></td>
<td><strong>87</strong></td>
<td>324</td>
</tr>
</tbody>
</table>

Source: Pacific Affairs, Vol. 61, No. 1 (Spring, 1988), pp. 78-97

The above table demonstrates what a dominant position the Punjab has in the parliament. In the National Assembly alone, it has an absolute majority. As for its numbers in the Majlis-i-Shoora, only relevant in a joint sitting of both houses, it would need only sixteen non-Punjabi votes to be able to defeat a bill if the Punjabi parliamentarians managed to vote against the bill. Therefore, regardless of the type of bill presented, the Punjab will ultimately determine whether it will be passed, amended, or defeated. Bills relating to the Federal Legislative List, such as defense, external affairs, currency, federal public service, customs, national planning, and the Con-current Legislative List (which includes, among other things, criminal law, contracts, law and order, and population planning), may originate in either house. Once the bill is passed by the house in which it originated, it is sent to the other house, and if it is passed without amendment by the second house it will be presented to the president for assent. However, if the second house rejects
or passes the bill, then it would have to be considered at combined session under Articles 70 & 71. On the other hand, all money bills may originate only in the National Assembly, and need not be sent upper house earlier to presentation to president in-order to have approval under Article 73.

This legislative procedure, which undoubtedly favors the Punjab, already existed in the unaltered version of the 1973 constitution. Apart from federal legislative procedures, there are other important sections in the RCO which directly affect the provinces. First, after the end of President Zia’s term of office in 1990, the president is to be elected by Majlis-i-Shoora of defined electoral college of that time and by provincial legislature as well under Article 41(3); and the fact that the Punjab has such great numbers of parliamentarians will mean that it will have a dominant position in the selection of the chief executive. Secondly as with the above case the selection of the prime minister, a procedure which was come into force in March 1990, will essentially be determined by the Punjabi parliamentarians even if they decided not to vote against the candidate, since Prime Minister will be elected by the majority of the National Assembly under Article 91(3). However, this procedure already existed prior to the amendment of the constitution.

Thirdly, governor of every province was to appointed by Zia but in consultation with prime minister under article 101. This is significantly different from the method of appointment which existed in the original 1973 constitution; for previously it was the president who selected the governors, under article 48 the advice of the prime minister was
binding on president in such appointment. Nevertheless, in both cases it is the center which
determines the selection of Governors.

Fourth, governor with the approval of president had powers to appoint the chief
minister or dismiss when elections are required under Article 105(0) (a) (b) (c). This is
probably the most important change in center-province relations which the RCO
introduced; since in the original 1973 constitution the chief minister was elected by a
majority of the provincial assembly under Article 131(3), could not be dismissed by the
governor as per Article 134, and advised the Governor as to when to dissolve the provincial
assembly under Article 112. However, following the passage of the Eighth Constitution
Amendment Bill in October 1985, the chief minister will once again be ejected by the
members of the provincial assembly as of


Finally, if there is disagreement over a matter which is enunciated in the Concurrent
Legislative List, the federal parliament’s authority will supersede provincial legislation
under Article 143, a procedure which already existed in the unaltered version of the 1973
Constitution.

In sum, in the field of center-province relations the RCO further strengthened the
position of the Punjab vis-a-vis the other provinces, and increased the center’s powers to
intervene in provincial affairs. These are certainly the most important criticisms which the
smaller provinces have of the RCO; for, while the subsequent Eighth Constitution
Amendment Bill slightly reduced the powers of the president in favor of the prime minister,
they feel the RCO is merely another step in reinforcing the defacto unitary system of government, Pakistan has had since 1947. As a result of the government’s ability to contain the opposition through economic, political and coercive means, the extra-parliamentary political parties have become divided, confused and ineffective in their opposition to Zia’s government. A vivid proof of their ineffectiveness was exemplified in the failed 1983 uprising, in the population’s rejection of the MRD’s call for a massive boycott of the non-party-based legislative elections of 1985, in the willingness of middle and lower-rankin PPP members to participate in the 1985 elections, and in the MRD’s inability to force the government to call mid-term elections by Autumn 1986. As well as co-opting PPP politicians to its side, the government applied punitive actions against politicians who refused to abide by its directives. These included: the imprisonment and flogging of political leaders, restrictions on politicians’ inter-provincial movements, and the voluntary exile of the most troublesome opponents. And after the lifting of Martial Law it imprisoned politicians, including Benazir Bhutto, the chairperson of the PPP, who wished to embarrass the present government. While these governmental tactics have had the effect of dividing the opposition regarding the strategy that would most effectively force the government to call mid-term elections before 1990, the MRD has nevertheless managed to present a common policy with regard to future center-province relations under an elected civilian government.

However, this major development came about only after the MRD leadership realized that the increasingly regional focus of the political parties threatened to erode further the coalition’s rapidly diminishing effectiveness against the present government of
President Zia. Until August 1986, at what time MRD presented a declaration for provincial autonomy the opposition parties in majority including PPP favored it and started demanding the restoration of 1973 constitution as it stood before President Zia altered it by passing the RCO. The PPP leadership, especially Benazir Bhutto, whose father was the main architect of this constitution, believed that the 1973 constitution adequately guaranteed provincial rights. In other words, it believed in a strong center and a system of government which is for all intents and purposes unitary. It was this unyielding attitude regarding possible modification of the constitution in the field of provincial autonomy, coupled with the former PPP government’s poor record in the realm of center-province relations, which caused some members of the PPP and the MRI) to question whether the original 1973 constitution was still an appropriate document for the effective and equitable management of the problems of units in Pakistan. A brief examination of the political parties’ views about the ideal approach to center-province relations will demonstrate the extent of the divisions within the MRD on this issue. The range of constitutional proposals emanating from the opposition has virtually been as varied as the number of political parties. The Air Marshal (Ret.) Asghar Khan, leader of the Tehrik-i-Istiqlal (TI), the second largest party of the MRD, had stated that full and complete provincial autonomy must be granted; otherwise the country would continue to be plagued by centrifugal forces. This demand, which before the adoption of the MRD’s Declaration was a departure from mainstream PPP ideology, seriously strained relations between Asghar Khan and the PPP leadership, a relationship which had always been at best tenuous considering the Tehrik-i-
Istiqlal (TI) was one of the parties of the Pakistan National Alliance coalition which spearheaded the political uprising that toppled Prime Minister ZA, Bhutto in July 1977.

On other side Bloch leader Mir G. B Bizenjo from PNP went a stride further to promote idea of lose federation. The main belief behind his idea was existing four nationalities in Pakistan in the shape of vibrant ethnic diversity. According to Bizenjo in the presence of wide ethnic diversity under four nationality groups the only viable way forward is creation of loose federation in Pakistan. He added that people can be occupied or suppressed but cannot be converted into nation by force. Bizenjo was of the strong view that loose federation structure is closer to the spirit of 1940 resolution. Because this was a pact of loose federation for which provinces joined Muslim League in the struggle to have such a homeland where they would be able to exercise complete autonomous status in terms of political and economic autonomy. Moreover, it is because Bizenjo squarely puts the blame for the deteriorating situation in the country on the Punjabis, and does not expect them to make any concessions regarding provincial autonomy, that he feels that only a loose federation can prevent the break-up of the country, Lastly, along with the PM’, the Maoist-oriented National Democratic Party (NDP) and the Mazdoor Kisan Party.’ also members of the MRD, have announced that they no longer consider the restoration of the 1973 constitution a political objective they should strive to attain; for they believe the constitution has ceased to exist and now there should be fresh polls to elect a new constituent assembly.
However one more staid development was creation of SBPF called Sindh-Baloch-Pashtun-front. It was planned at London and sprung on April 18, 1985. Important leaders of this front were; (i) Mumtaz Bhuto who was relative of Z.A Bhuto, an ex-governor and CM of Sindh, (ii) Mr. Hafiz Pirzada ex-minister of PPP government, (iii) NAP leader and CM Balochistan Ataullah Mengal, and (iv) Afzal Bangash from NWFP and the leader of Mazdoor Kisan Party that was mainly impressed by the Marxism. These prominent leaders of smaller provinces were against the Zia’s approach towards provincial autonomy, federation-provinces relations and the Islamization. The important feature of this front was that this was against the PPP hostile outlook towards national identities at that time. This front had perceived the PPP approach similar to the military mindset. In this way this front where posed challenges to Zia, also challenged MRD and PPP. But surprisingly this front had the only objective of creating the confederation in-order to extend complete autonomy package to provinces in Pakistan. In other words this front was too working for greater provincial autonomy of provinces. For this the front had given a strategy that political circumstances have been changed that’s why constitution of 1973 would be unable to offers required autonomy to the provincial units. Therefore the front laid down the framework for confederation as that center will exercise the powers on defence, foreign affairs, communication, currency and arbitration.

However the front had also proposed comprehensive charter over the working of federal and provincial governments. The planned covered: trade and foreign loans mechanism, operations in provincial territories etc. The front was in the favor of presidential system in confederation and the president would be elected on rotational basis
from provinces by following the alphabetical sequence of provinces. The term of president according the charter of front would be four years. According to the leaders of this front this is the most suitable way to offer the provinces an autonomous status. Interestingly the front is looking for council of common interest as cabinet and having equal representation from all provinces. This council would have extensive authority in-order to balance the powers of president. Apparently the front actually was struggling for the political and economic autonomy for the provinces.

The PPP and MRD analyzed the whole plan that it is the policy of Zia to divide and rule and the SBPF is basically established to sabotage the democratic movement and to support Zia’s regime. PPP central committee expelled its workers from the party they designed or help to design this front. At that time Benazir had conviction that the ethno nationalities create problems for federation that’s why the aggressive groups of these sub nationalities must be crushed through operations.

The objective of attaining the provincial autonomy according to Benazir can be achieved under the comprehensive framework of 1973 constitution therefore she also showed reservations over even declaration of provincial autonomy 1986 under MRD umbrella. PPP rejected the notion of Punjabization in-order to defuse challenges coming from largest province Punjab and also raised slogan of greater provincial autonomy to defuse the intimidations towards federation.

President Zia realized the situation and the desire of provinces for the political and economic autonomy. This demand was strengthen because of tight control of center over
provincial matters under RCO framework. But even Zia could not initiate meaningful arrangements for provincial autonomy. The non-party based elections of 1985 had put the fuel over fire and provinces were demanding out more powerfully the autonomous status.

Moreover smaller provinces were afraid of Zia’s program of Islamization because these provinces were perceiving it as a tool to victimize the provincial leadership and to intervene into provincial matters. Zia’s policies indeed again created deprived feelings among provinces and raised the slogan of Punjabization once more. This created the Punjabi and non-punjabi divide in Pakistan.

Consequently demands from non-punjabi provinces raised more in the favor of provincial autonomy but Zia failed to address the real issues of smaller provinces. This increased the gulf between central government and the smaller provinces. At this time the most important issue of the Zia regime was provincial autonomy.

Therefore in-order to moderate the changes made under RCO, the eighth amendment was introduced by Zia. This amendment was an attempt to defuse the tension between smaller provinces and federation. But unfortunately this amendment could not develop the federation-provinces relations on better footings. Meanwhile PPP was agreed to the declaration of provincial of MRD. This was again a challenge to Zia government. In short the pivotal point of the politics in this era was provincial autonomy.

3) The Period of Troika 1988-99
After the departure of Zia-Ul-Haq, civilian government in Pakistan was restored in 1988. Thus the third revitalized democratic era of Pakistan from 1988 to 1999 called the period of troika. The Pakistan from 1988 to 1999 was ruled by civilian governments; Benazir Bhutto and Nawaz Sharif were elected and removed twice from office during 1990s. Though this was democratic era but practically the political power was shared amongst President, Prime Minister and Chief of Army Staff.

The period of troika (1988-1999) was comprised of the following governments:

A) Benazir Bhutto’s First Tenure (1988-1990)

B) Nawaz Sharif’s First Government (1990-1993)

C) Benazir Bhutto’s second Tenure (1993-1996)


A) Benazir Bhutto’ First Tenure (1988-1990)

Benazir Bhutto assumed office as prime minister of Pakistan in 1988. Benazir had to address many problems amongst which the major problem was to resolve the power play between the central and provincial governments. Because the relations between center and
the power centered province Punjab were hostile for the reason that central government of Benazir was drawn into continual confrontation with the Islami Jamhuri Itehad-the government in the largest province Punjab. This later put the central government dysfunctional in 1990.

The federation-punjab political confrontation was started in the name of provincial autonomy by Nawaz Sharif. The demand of provincial autonomy was appealed other provinces, particularly Sidh due to ongoing operation of central government like operation of Pakka Qilla May, 1990. The first tenure of Benazir had significantly impacted the federation and provinces relations.

i) Political Conflict between Central Government and Punjab Province over the Bill of Eleventh Amendment

The Bill for Eleventh Amendment to the Constitution of 1973 was introduced in the Senate on 31 August 1989. The senators Dr. Noor Jehan Panezai, Mr. Muhammad All Khan and Syed Faseih moved the Bill as a Private Members’ Bill. The Punjab province was against the central government of Benazir therefore LII opposed the Bill in Senate. This led to further tension between the federation and the Punjab province. Consequently in 1992 the Bill was withdrawn by its movers (Bill of Eleventh Constitutional Amendment, 1989).

ii) Twelfth Constitutional Amendment and Provincial Autonomy
On 28th July 1991 when this amendment was passed the core objective was to establish specific courts to trial offenses pertaining to anti state affairs. The Article 212 (B) had been incorporated in constitutional document. Twelfth Amendment to the Constitution was passed by Parliament on 28 July 1991. Through this amendment federal government got another opportunity to interfere into the provincial judicial matters by deputing the judge of own favor in the provincial courts. The federal government had been getting advantage of this amendment in Baluchistan and Sindh particular. Baluch political leaders showed annoyance against the amendment and made their protest record in the parliament as they left with no room to go to the judiciary now for their grievances against federal government (Twelfth Constitutional Amendment, 1991). This amendment had not been very popular particular in Baluchistan and Sindh because of severe provincial concerns over it in-terms of judicial autonomy of units of federation.

B) **Nawaz Sharif’s’ First Government (1990-1993)**

Nwaz Sharif came into power in the result of elections of 1990 held after the dissolution of the Benazir’s government by President Ghulam Ishaque for the charges of corruption. During this period overall working relations between federal government and provinces were harmonious. However the main features of this period they latterly affected the provincial autonomy directly or indirectly were as under:

i) unnatural coalitions of political parties like PML and AM, JI and MQM and RIP

ii) the center-province problematic working relations
iii) division of financial assets between provinces under the platform of CCI
iv) resolution of the Indus water dispute between provinces

i) Operation Cleanup (1992) and Provincial Autonomy

But the deployment of Army in Karachi, during military crackdown (Operation Cleanup) commenced from May 1992 onwards, had created rift again between center and Sindh province mainly against MQM. The members of MQM resigned from provincial and federal assemblies and center-Sindh province relations become worse. Nawaz Sharif was not easy in this operation that’s why his relations became worse with president and COAS. Consequently, the president Ghulam Ishaq attempted to dismiss Sharif on corruption charges. However, Sharif successfully challenged the dismissal in the Supreme Court, but both men were ultimately persuaded to step down in 1993 by Army Chief Abdul Waheed Kakar. The government of Nawaz Sharif put the center-province relations under visible impact as during his regime.

C) Benazir’s Second Tenure (1993-1996)

After the elections of October 1993 the PPP emerged as largest political party with 86 seats in national assembly whereas PML-N group with 73 seats remained in opposition. It has been observed that Punjab province has always been an important factor in federation-provinces good or bad relations. In this way this time Benazir government was stronger because it had majority in Punjab as well. But PPP’s position in some major districts of Punjab like Lahore, Gujranwala, Sialkot, Multan and Sargodha remained not good; this situation imposed again challenges to the working of federal government
because Nawaz Sharif got an opportunity through these specific areas to successfully create the rift between Punjab and central government again.

The government of PPP had liberal outlook but had no soft corner for militant wings of political parties like MQM. She launched operation in Sindh against MQM in 1995-96. Federal government of Benazir once again went into the center-province conflict Sindh as well along the Punjab. Because federal led operation created rift between Center and Sindh province as the federal intervention into provincial territory had created feeling among provincial governments of being vulnerable for federal intervention. In 1996 more charges of corruption led to another dismissal of her government by President Farooq Leghari.

D) Nawaz Sharif with a Supermajority

With a Super majority Nawaz Sharif was re-elected in the Parliament as prime minister after Benazir was again dismissed in 1996. The Sharif government appointed Rafiq Tarar as President after Leghari voluntarily resigned. He also notably ordered Pakistan’s first nuclear tests in response to neighboring India’s second nuclear tests as part of the tit-for-tat policy. When Western countries suspended economic foreign aid, Sharif froze the country’s foreign currency reserves to prevent thither capital flight, this not only worsened economic conditions of the country but created rift between center and provinces as provincial due economic share was also delayed or deprived due to poor economic conditions of the country. Further this period had great impact over provincial autonomy for the constitutional amendments as well.

i) Thirteenth Amendment Power Shift and Provincial Autonomy
This amendment became the part of constitution on April 4, 1997. The article 58 (2) (b) and 112 (2) (b) were done away under this amendment. This promoted provincial autonomy because the powers of governor to dissolve the provincial assembly on own discretion was taken back by the constitution.

The second important feature of this amendment was restriction on the powers of president to appoint governor on merely own discretion. After this amendment the president was bound to take suggestion from prime minister for such appointment. Further article 243 was amendment and discretionary powers of president to appoint COAS were restricted and for such appointment advice of prime minister remained biding over the president. These constitutional steps promoted the sense of independence among the provinces which ultimately revived autonomous position of provinces and confidence on center (Thirteenth Constitutional Amendment, 1997).

i) Fourteenth Amendment: No Constitution or Judicial Remedy for Provinces

This amendment was passed on July 3, 1997 in-order to address the problem of defections. For this the article 63-A was added to the constitution. This was done in-order to deal with the members of political party who violates the party discipline and directions of party head (14th Constitutional Amendment, 1997). This amendment on one hand promoted the political decision making process and enhanced the importance of political platforms to debate over the political issues and limited the democracy, hut on the other hand created another dictator in the form of head of political party by allocating unlimited powers to him. Freedom of expression and criticism which is the sole of democracy were
taken-away from the members of legislative bodies whether federal or provincial legislature. Ultimately this weakened the autonomous position of provinces because it just remained a rubber stamp in the hands of party head. The provinces were unhappy with this amendment. Therefore, this amendment could not get support from the general public as their representative of the constituency had no more freedom to favor even the just stance against party head.

The criticism over 14th amendment was that it had no constitutional remedy because once legislators of federal and provincial assemblies came into power there is no way to recall them before five years even on the charges of corruption etc. The Supreme Court validated the coup of 1999 under the same plea that the 13th and 14th amendment disturbed the balance of power of state pillars and left no judicial or constitutional remedy of it. Hence this amendment where affected the federal government put great impact on the provincial autonomy as well.

ii) Fifteenth Amendment and Extreme Centralized Power Structure: Provincial Autonomy Disregarded

The PML government put an effort to alter the constitution on August 28, 1998 through 15th amendment. This amendment could not be passed, if this amendment would passed it would had great impact on the federation-provinces relations and the provincial autonomy. After Article 2A the new Article 2B was to be added that would have impact over federation-provinces relations due to extreme proposed centralization to implement the amended part of the constitution of 1973. Under Article 28 (2) and (3) the federal
government was to be given unlimited powers to intervene into the provincial matters in the name of implementation of Islamic law proposed under clause (1) and (2).

Under proposed 15th Amendment the Article 239 of the constitution was proposed to be amended and Clause (3A) was proposed to be added. Under Clause (3B) the provincial autonomy was to be ignored because it stated that a Bill to amend the constitution if rejected by one house it again will be presented in the joint session under 38 (3) and will be passed by simple majority. A historical study of Pakistan’s parliamentary system reveals that a ruling party is always in majority in National Assembly but not necessarily in majority in Senate as well. It ultimately means that if a Bill is presented by the ruling party, which is running the federal government, it will be passed by all means even rejected by the Senate; the representative house of the provinces.

A heated debate was generated over the Bill throughout the country. The parliamentary opposition was almost integrated against the proposed Bill because of limiting the role of Senate and extreme centralized power structure in the hands of federal government. There was even some opposition from inside the PML (N). Prime Minister Nawaz Sharif called a meeting with parliamentary members who were from Parliament PML (N) and opposed the Bill of 15th amendment. Nawaz Sharif directed to such parliamentary members of his party to resign. Consequently opposition within PML (N) caved in under such direction (15th Constitutional Amendment Bill, 1998).

iii) Sixteenth Amendment: Revival the Trust of Provinces over Federal Government
Article 27 deals with the in-discriminatory treatment in civil services and the quota system in jobs for less privileged areas. The quota in jobs for less privileged areas was extended to twenty years but the sixteenth amendment further extended it to forty-five years on August 5, 1999 by amending the article 27. This amendment extended up to 2013. By this particularly Baluchistan, FATA, and interior Sindh and some areas of Southern Punjab are being benefitted. This amendment revived the trust of provinces over federal government ultimately center-provinces relations came on strong footings.

The extreme centralization, neglected provincial autonomy, unemployment, record foreign debt, tussles with the judiciary and the military were features of Nawaz Sharif’s second government. Consequently, general Musharraf took over the country on 12 October 1999.


After taking the charge as Chief Executive of Pakistan on 12 October 1999 the Gen Pervez Musharraf had promised that the federal government believes in granting provinces complete autonomy and the efforts will be made to gain political consensus on disputed issues.

Musharraf was of the view during a high level meeting that federal government wants to give provinces more and more political and economic autonomous rights and the constitutional package has been prepared to give autonomous status to the provinces. According to Gen Pervez Musharraf the government will increase the NFC award for the provinces while special development funds will be fixed for small provinces. The
government will develop politically and economically retrograde areas of Sindh and Baluchistan (Dawn, 1999). In-order to provide autonomous status to the provinces Pervez Musharraf had needed constitutional shelter with some amendments but the country was running under the martial rule. The judiciary helped the Musharraf to get out of this problem. The Supreme Court of Pakistan granted powers to General Musharraf to amend the constitution in the judgment of the case titled as “Zafar Ali Shah V. General Pervez Musharraf” (PLD 2000 SC. 869).

i) **Provincial Autonomy under legal framework order (FO) and seventeenth amendment**

Through Legal framework order (LFO) 2002 Musharraf prolonged the regime by amending 29 articles of constitution. The seventeenth amendment was actually endorsed the LFO of Musharraf. However the LFO and 17th amendment collectively impacted the provincial autonomy and federation-provinces relations under given changes:

i) Intra party elections stand mandatory for the political parties

ii) It was added under this amended that no political party will promote sectarianism and regional hatred

iii) This amendment Incensed the number of seats in federal and provincial assemblies

iv) Articles 58 (2) (b) and 112 (2) (b) were revived

v) Article 63 was amended and new disqualifications for candidates were added
vi) Article 63A was amended

vii) The local government system was amended under the devolution power plan by adding the article 140A

viii) National Security Council was reinstated under Article 152 A

ix) The article 209 was modified in-order to confer powers in Supreme Court regarding the enquiries of judges for misconduct

x) The ECP was enlarged by adding the four judges from provincial courts that was a good step towards free and fair elections and provincial judicial autonomy-a demand of provinces

xi) The article 270 AA was added that validated all the changes made by Musharraf in the constitution.

xii) Article 270B has been added declaring that the elections held in October 2002 would be deemed to have been held under the constitution.

xiii) Article 270C has been added

The articles of the constitution altered under LFO were 17, 51, 59, 62, 63, 63A, 70, 71, 73, 75, 101, 140A, 199, 203C, 209, 218, 224, 260, 2708 and 270C. These articles remained or incorporated same as they were in the 17th amendment. However, apart from the endorsement of LFO the following articles were amended under 17th amendment that had impact over the provincial autonomy:

i) The article 41 regarding elections of president was amended. It added paragraph (b) in clause (7). According to this addition a member of national
assembly would stand disqualifies in case of holding another profitable office at the same time. This became effective on December 31, 2004. The clauses (8) and (9) as well added to the constitution under this amendment that has been deleted now under 18th amendment.

ii) Under article 58, a new clause (3) was added and the sub-clause (2) of the same article was amended

iii) The article 112 for the dissolution of provincial assembly by the governor was reinstated, this was deleted under 13th amendment

iv) Article 152A regarding national security council was deleted

v) New text was added in article 179 and 195

vi) Article 268 amended and the powers of provincial assembly restricted

vii) Seventeenth amendment altered and reduces the protection to provincial local government ordinances and police order to six years

The Balochistan province was in the state of political unrest during Musharraf regime. Musharraf started different military operations in Balochistan that created hatred in the mind of Baloch people for the federal government. Further Musharraf preferred military option over political dialogue to resolve the issues in Balochistan which stoked the separatist element in Balochistan and the provincial autonomy was greatly neglected (Jetly, 2009, pp. 213-216).

However, in 2007 the parliament started dialogue process with Bloch leaders, for which in March and November 2007 committee on Baluchistan subcommittee on
provincial autonomy presented two reports over the political situation and autonomy of Balochistan. The first report urged on the need of alteration to devolve subjects to provinces through two way process (i) on first step the subjects must be transferred from federal to the concurrent list and then (ii) on second step from concurrent list to the provincial list. Subsequent report had urged for fiscal part of gas and oil heads from federal to provinces where such heads are located. This report suggested the transfer of loyalty with arrears to Balochistan government due to Sui gas head. Further this report proposed incensement in quota of jobs for the people of Balochistan (Report on the Parliamentary Committee on Baluchistan, 2007).

In view of above discussion on governmental steps under constitutional shelter it is obvious that Musharraf era had affected the economic and political autonomy of provinces at large, particularly in the case of Baluchistan,

5) **PPP Government prior to 18th Amendment (2008-2010)**

General elections were held in Pakistan on 18 February 2008 and PPP formed coalition government at federal level. Meanwhile General Pervez Musharraf resigned from the presidency to avoid impeachment. For PPP government this was a high time to address the provincial grievances after a long military regime in which provinces were deprived of their political and economic rights. Gradually the political pressure was mounting on federal government regarding granting the provincial autonomy. For instance:
i) In June 2009 the ministry of provincial coordination, government of Sindh, solicited civil society to submit proposals and recommendations to the government regarding provincial autonomy.

ii) On December 16, 2009 Syed Safdar a leader of MQM stated that the great tragedy of December 16, 1971, it was high time for the government to accept demand for provincial autonomy of the federating units, the denial of which had led to the disintegration of the country.

The situation built pressure on PPP government gave an impression that provincial autonomy is an important issue and the center has to seriously take steps by seeking suggestions from provinces to resolve the autonomy issue.

1) Provincial Autonomy and PPI’ Government: The Case of Baluchistan

During Musharraf era Baluchistan province was the victim at most of unfriendly policies of federal government. In view of this, in March 2009 a resolution passed by a meeting of the PPP parliamentary party in Islamabad and Cochairman Asif Ali Zardari, said that PPP representing the whole nation extends words of apologizes towards Baluchistan for sufferings of people of Baluchistan. Consequently Balochistan package was given by federal government of PPP.

a) Baluchistan Reform Package

On November 24, 2009 Reform Package for Balochistan was presented in the parliament’s joint session. This was actually the outcome of reports. This was the good will
of federal government that federal government had given 4.6 billion rupee as support that further includes 2.8 billion arrear on gas royalty imminent from 1995 and 1.75 Billion for overspending of province Baluchistan. Further these reforms addressed issue of missing persons of Balochistan (Baluchistan Package, 2009).

However political and economic points of this package approved by the Parliament were:

i) Expedition of political expatriates of Baloch people

ii) People of Balochistan must be turned home but not those people who were involved in terrorist activities.

iii) Cantonments in Balochistan not be constructed more

iv) Missing people of Balochistan would be traced

v) Government will make arrangement for the release of Balochistan people

vi) Consent of provincial government of Balochistan will be sought by the federal government for the launching of mega projects

vii) In-order to develop the areas having natural resources will be allocated ten percent of the profit

viii) The constitutional concerns of Balochistan would be settled through the CRC

ix) Deletion of concurrent list will devolve more resource and power share to Balochistan people

x) NFC award criteria will be restructured that will give more financial benefit to Balochistan
xi) The target killing cases and the case of Akbar Bugti will be settled through judicial enquiry

xii) For Akbar Bugti killing a fact finding commission will be constituted

xiii) Political workers of parties would be released but not those who were against state

xiv) Rs. 120 billion will be paid to Balochistan as gas royalty

xv) Political solutions through dialogue process will all stakeholders of Balochistan will be ensured

xvi) Federal government will facilitate in implementing the resolutions of provincial assembly

xvii) There will be end of operations in Balochistan except the operations against terrorists

xviii) The provincial government will amend the local government ordinance

xix) The FC will be operationalized under the command of chief minister

xx) 20% share for saindak project from the federal government will immediately be released

xxi) In HEC scholarships special quota for the students of Balochistan will be allocated

xxii) Additional jobs around 5000 for the people of Balochistan will be created

xxiii) In oil and gas companies the ownership of Balochistan will be facilitated

xxiv) The IDPs of DeraBugti would be given Rs, one billion

xxv) PCNS will monitor the implementation of Balochistan Package
ii) Gilgit-Baltistan: Informal Federalism and Remarkable Step towards Provincial Autonomy through Autonomy Package for Northern Areas

The government of PPP in 2009 had given an autonomy package for northern areas of Pakistan. This package renamed the areas as Gilgit-Baltistan and provided province like status to this region. Due to UN resolution of 1948 this area cannot be given the status of full-fledged province constitutionally. However this was a good attempt to respond the demand for autonomy from the people of this area. Many projects like Bhasha-Deamir dam has been started to fulfill the aspirations of this region in-terms of autonomy (Khan, 2009).

a) Gilgit Baltistan empowerment and self-governance order 2009

Self-governance ordinance 2009 of PPP government has brought about the following significant changes that affected the political and economic autonomy of the region:

i) Name of the region altered

ii) Legislative council has been established

iii) Chief Minister stands the leader of the legislative council

iv) Offices of the CEC, PSC, and auditor general are established

v) Governor has been appointed

The first government was formed by the PPP after elections held under altered framework. The chief minister of Gilgit-Baltistan stated after assuming office that this
region will soon be the fifth constitutional province of Pakistan. On this statement India had logged protest but the people of the regional did not pay any attention to the Indian narrative against Pakistan. This shows the sincere efforts of federal government towards ensuring the regional autonomy-ever lasting demand (The Hindu, 2010). Though it has been interpreting by the international community is analyzing it a serious and meaningful step in right direction towards provincial autonomy since long in Pakistan (Sering, 2009, p. 1).

b) Provincial Autonomy Neglected in Gilgit-Baltistan

The governor of Gilgit Baltistan appointed by the federal government violated provincial autonomy because the appointee was federal mister on Kashmir affairs. This invited criticism across the political spectrum. This appointment was totally contradictory to the constitution of 1973. It is being described by political parties as evidence of the PML-N’s ‘pre-poll rigging’ in the region in order to create a tailor-made government in the upcoming legislative assembly elections. The PPP, which mled the region under the previous elected set-up was not happy with the appointment of the caretaker cabinet or the governor, while the PTI had voiced its reservations about Gilgit-Baltistan’s chief election commissioner. In fact, there were reported protests in Gilgit-Baltistan and Islamabad against the governor’s appointment while even some local PML (N) leaders were not comfortable on inappropriate appointment of governor by the center.

Among complaints the foremost was about the appointment of a federal minister as governor GB and the appointee was out of the province like region of GB. Political parties
urged to appoint any local prominent figure as governor of GB. But the PLM (N) government not only intervened into provincial autonomy in terms of making such appointment but also made the elections controversial before the first vote even. This badly affected autonomous status of provinces.

However this problem was emerged because there was permanent constitutional shelter was absent on the status of region. Therefore permanent solution for the problem will persist till the solution of Kashmir issue. But the people of GB raising demand for provincial status in-order to have provincial autonomy. But till this process completes the federal government must stop intervention into the matters of GB so that at least the people can enjoy autonomous status of their province.

4.1.2 Failure of Council of Common Interests (CCI) to Harmonize Federal-provincial working Relations

In scheme under federalism CCI was constituted in 1973 in-order to get the relations harmonious between federation and provinces and to get stronger spirit towards federation. The creation of CCI was an innovative and democratic approach to address the bitter working relations between federation and it units. It was thought that this institution will heal the wounds of provinces which the one-unit formula and East Pakistan incident had put to the autonomous status of provinces. But unfortunately the constitutional mandate of CCI was to resolve the issues of federation and provinces but this institution remained ineffective in this regard. The major role in its ineffectiveness was of central leadership because the central leadership was not willing to extend more autonomous status towards
provinces. Its 1977 abeyance was an example of the lack of political will of the political leadership at center and the executive of that time. Its federal role was revised under 8th amendment in 1985. In 1999 again it was made dysfunctional. In 2003 under 17th amendment its role was reasserted. Then after 18th amendment its scope has broaden but even then the meetings of CCI to resolve the issues between federal and provincial governments are rear. From 1973 to 2016 it could meet only twenty nine times. This shows non-serious attitude of federal government as responsible quarter to call a meeting of CCI. It is very unfortunate that in 43 years from 1973 to 2016 only 29 meetings of CCI have been arranged.

However performance of council of common interests has been taken as the stick to measure the provincial autonomy because this is the only platform to resolve the provincial grievances.
### Performance of Council of Common Interests

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Meeting of CCI</th>
<th>Date of Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1\textsuperscript{st} meeting</td>
<td>August 7-9, 1975</td>
</tr>
<tr>
<td>2.</td>
<td>2\textsuperscript{nd} meeting</td>
<td>December 27-28, 1975</td>
</tr>
<tr>
<td>3.</td>
<td>3\textsuperscript{rd} meeting</td>
<td>December 31, 1976</td>
</tr>
<tr>
<td>4.</td>
<td>4\textsuperscript{th} meeting</td>
<td>January 12, 1991</td>
</tr>
<tr>
<td>5.</td>
<td>5\textsuperscript{th} meeting</td>
<td>March 21, 1991</td>
</tr>
<tr>
<td>6.</td>
<td>6\textsuperscript{th} meeting</td>
<td>September 16, 1991</td>
</tr>
<tr>
<td>7.</td>
<td>7\textsuperscript{th} meeting</td>
<td>September 12, 1993</td>
</tr>
<tr>
<td></td>
<td>8th meeting</td>
<td>May 29, 1997</td>
</tr>
<tr>
<td>---</td>
<td>-------------</td>
<td>-------------</td>
</tr>
<tr>
<td>1</td>
<td>9th meeting</td>
<td>May 9, 1998</td>
</tr>
<tr>
<td>2</td>
<td>10th meeting</td>
<td>December 22, 1998</td>
</tr>
<tr>
<td>3</td>
<td>11th meeting</td>
<td>August 6, 2006</td>
</tr>
<tr>
<td>4</td>
<td>12th meeting</td>
<td>July 8, 2010</td>
</tr>
<tr>
<td>5</td>
<td>13th meeting</td>
<td>September 6, 2010</td>
</tr>
<tr>
<td>6</td>
<td>14th meeting</td>
<td>November 8, 2010</td>
</tr>
<tr>
<td>7</td>
<td>15th meeting</td>
<td>February 1, 2011</td>
</tr>
<tr>
<td>8</td>
<td>16th meeting</td>
<td>April 28, 2011</td>
</tr>
<tr>
<td>9</td>
<td>17th meeting</td>
<td>June (2011)</td>
</tr>
<tr>
<td>10</td>
<td>18th meeting</td>
<td>August 27, 2011</td>
</tr>
<tr>
<td>11</td>
<td>19th meeting</td>
<td>February 9, 2012</td>
</tr>
<tr>
<td>12</td>
<td>20th meeting</td>
<td>August 8, 2012</td>
</tr>
</tbody>
</table>
Under article 153 council of common interest has been declared as the institution to resolve the disputes between the center and provinces and between provinces in-order to extend the political and autonomy towards the provinces. But when a political scientist analyzes the performance of council of common interests, the federalism in Pakistan seems
to be not very successful to take meaningful steps to achieve maximum level of provincial autonomy. The disputed issues of provinces could not be addressed due to less sessions of the CCI. It is quasi executive body as prime minister and chief ministers of all provinces are the members of CCI. The CCI in Pakistan is very strong theoretically but weak in practice therefore the concerns of provinces could not be addressed. In political theory the settlement of disputes between units of federation is dependent upon the will and relations of the parties involved. And in Pakistan these two components are fragile, there is less will has been observed on the part of federal government sometimes and if federal government extends sincere will to resolve issue the conflictual relations between stakeholders pave hinders towards the resolution of disputed issues between federation and provinces.

The official meetings of council of common interests are very few and rare. This has made CCI ineffective institution for conflict management. The 18th amendment has bound the CCI for quarterly meetings and presentation of report to parliament. Further the structure as well changed under the 18th amendment. These changes have increased importance of this institution but now all depends upon the political will of federal government. It is hoped that this institution will soon be able to address the disputed issues of federation and provinces.

Critically analyzing the performance of CCI indicates that in Pakistan distribution of water resources between provinces has been creating distrust among provinces and federation-provinces since long. But CCI remained unsuccessful to resolve this issue amicably under the constitutional mandate given to it. The Punjab, for instance had made
plea to IRSA that three million acres land is being barren due to short water supply. This area which is going to be waste grows cotton mainly, Punjab asserts. Another example is debate in Sindh for having less water than allocated in 1990 accord. Sindh raised complaints that its one million hector land is becoming barren due to this shortage of water. It was further alleged that Punjab is utilizing more water than it was allotted under the accord and Punjab is cultivating 3.5 million hector more land.

The water dispute between provinces got worsened when Punjab did not attend meeting of IRSA. The Punjab alleged IRSA that this institution is the source of increasing disputes between federation and provinces and among the provinces as well. Since river water has remained lifeline of two agricultural provinces their corresponding leadership has been invoking spirit of federalism in-order to justify provincial claim to share in water. The connected subject is construction of dam at kalabagh against which provinces except Punjab have passed resolutions. Actually this is the mandate of CCI but due to ineffectiveness of council of common interests these issues have not been resolved, particularly the water dispute among the provincial units.

Through debate it is obvious that not all the time federal government has been the responsible of bitter federation-provinces working relations but sometimes inflexible attitude of the provincial governments sabotaged the process of provincial autonomy in Pakistan. It is therefore responsibility of the political leadership of provinces to help in creating the harmonious relations not only between federation and provinces but among
the provinces as well in-order to enjoy the uncompromised level of political and economic provincial autonomy.

It has been observed that entire political struggle was originally started with the slogan of provincial autonomy. If any political movement had initially not included this slogan, it adopted soon. The issue of political autonomy for provinces remained an important feature of politics in Pakistan before 18th amendment.

In Pakistan political leadership of federal government has always been blaming the role of establishment while executing errands towards resolving the federation-provinces disputed issues. But federal government never filed any supporting credential for this argument. However it has been observed through the analysis of meetings of CCI that in democratic governments more meetings of CCI were held to resolve these issues but in military regimes unfortunately CCI remained as inactive institution of federal government.

The provincial political leadership has always been demanding political autonomy in-order to have independent economic decisions. Provinces are of the view that without political autonomy provinces cannot translate the means and resources towards achieving the economic autonomy because it is political body mainly that frames all the policies and designs for economic activities. In this context the provinces are highly critical of the federal political interventions into the political matters and demanding political autonomy.
4.2 ECONOMIC DIMENSIONS OF FEDERATION-PROVINCES WORKING RELATIONS UNDER THE CONSTITUTION OF PAKISTAN 1973 PRIOR TO 18th AMENDMENT

Economic dimensions of provincial autonomy deal with taxation power-collection and consumption, borrowing power-domestic and international loans and power embedded with production and consumption of goods and services. For this purpose N.F.C Awards, C.C.I and N.E.C have immense importance to provide relevant political and financial powers and resources corresponding to the immediate demands and needs of federating units.

Earlier to 18th amendment revenue power had largely been vested with the federal government about 93% with expenditure around 72%. While provinces since long have been raising 7% revenue and spend 28%. But provinces always blame federal government on inappropriate transfer of resource to the units. This inappropriate resource transfer paradigm has been creating constant tension between federal and provincial governments. However, an orderly process of transfer has evolved under National Finance Commission (NFC) constituted under Article 160 (1) of constitution. The charter of NFC embraces distribution of tax receipt; issuance of random transfers for instance grants and recommendation of borrowing. The Niemeyer award, Riesman formula of 1947 and several awards have been dispensed in-order to streamline share of dividable pool of tax receipts fundamentally on the basis of existing population.
Though financial awards had also been issued by military regimes; for instance Ayube khan brought about such award in 1961 and 1964, by Zia in 1979 and 1985 and then in Musharraf regime in 2000 and 2006. But these awards could not develop consensus within the provinces and federal government (Ahmed, 2007). However, the awards under Bhutto in 1974 and 1991, and in 1996 under Nawaz Sharif were somehow based on consensus. The latter award improved share of provinces from 28% to 45% of the federal tax revenue. Amongst provinces, Punjab acquired 57.88%, Sindh 23.28%, NWFP 13.54% and Baluchistan 5.30% (Ahmed et al, 2007: 12, 19, 8). In 2006 when NEC botched in-order to reach over consensus, Musharraf had declared the provincial share around 45%, with 1% annual increase up to 50% in five years.

A major development was derived in 2009, when NFC award augmented provincial share in divisible pool from 47% - 56% for 2010 to 2011 and up to 57.5% for coming four years. This fresh standard regarding financial formula for award had concluded 82% on population, 10.3% poverty, generation of revenue 5% and 2.7% inverse density of population. This altered percentage of resources dissemination in share towards federating units; 51.74% punjab, 24.55% sindh, 14.62 NWFP (KPK), 9.09% Baluchistan ( NFC Award: 4). It was indeed good stride towards provincial autonomy through fiscal decentralization under federalism. This had reduced Punjab’s part in shares, around twice increases in Baluchistan’s share. It further extended scope of NEC. Far along 18th Amendment has been brought about momentous alterations which would be discussed in chapter five.
The fiscal devolution has been the major concern of provinces since the creation of Pakistan in general but particularly when the constitution of 1973 under Article 160 promised the equitable distribution of share of province through National Finance Commission (NFC) Award. In other words NEC was emerged to take control of financial imbalances and equally managed the financial resources to four provinces to meet their expenditure liabilities while alleviating the horizontal fiscal imbalances.

Therefore, in-order to study the economic autonomy of provinces NFC Awards are very important to be analyzed, as National Finance Commission (NFC) provides yardstick in the shape of awards to measure economic autonomy of provinces.

i) Provincial Autonomy and the 1st NFC Award 1974

In 1974 the 1st NFC award was arranged under fresh constitution. The sales tax, income tax and export duty were taken to set criteria for divisible pool in this commission. The population factor was taken as criterion for resource distribution in horizontal design among federating units. However, vertical resource dissemination endured as of the previous award (Pakistan, 1991).

<table>
<thead>
<tr>
<th>Province</th>
<th>1974 Award Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Punjab</td>
<td>60.25%</td>
</tr>
<tr>
<td>Sindh</td>
<td>22.50%</td>
</tr>
<tr>
<td>Khyber Pakhtunkhaw</td>
<td>13.39%</td>
</tr>
<tr>
<td>Baluchistan</td>
<td>3.86%</td>
</tr>
</tbody>
</table>

Source: Pakistan (1991)
ii) The 2nd NFC Award 1979

The second NFC award was managed under Zia regime in 1979. The provincial share in resources was as under presented at Table given below (Pakistan, 2006b):

<table>
<thead>
<tr>
<th>Province</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Punjab</td>
<td>57.97%</td>
</tr>
<tr>
<td>Sindh</td>
<td>23.34%</td>
</tr>
<tr>
<td>Khyber Pakhtunkhaw</td>
<td>13.39%</td>
</tr>
<tr>
<td>Baluchistan</td>
<td>5.30%</td>
</tr>
</tbody>
</table>

Source: Pakistan (2006b)

In NFC award General Zia-ul-Haq though initiated unclear formula for NFC but tried to address grievances of Baluchistan province and washout the impression of superiority of Punjab province as well.

iii) The 3rd NFC Award 1985

This NFC remained unable to recommend any improvement in distribution mechanism. The resources continued to be distributed in the light of the 1974 NFC award with the amended provincial population (Pakistan, 1991). This shows that federal government was not serious towards giving the due economic share to provinces which ultimately neglected the provincial autonomy.
iv) The 4th NEC Award 1991

After the break of sixteen years the fourth NFC award with positive changes came up in 1991. The contribution of this award was the expansion in dividable pool. Previously the excise duty on tobacco and sugar were the part of non-dividable pool but under this award this taken as divisible pool. Despite demand of provinces diversification in resources share formula could not be developed through consensus. In other words population remained the important element of power sharing formula even under this award. The deficit in revenue was taken as the basis to determine the subsequent grant. The distribution of dividable pool between federal and provincial governments sustained at 20:80% (Ghaus and Pasha, 1994).

However, resource transfer significantly enlarged the volume of provincial stakes in collected revenue by the federal government around 18 percent as compared to 1974 award. This upsurge was owing to inclusion of excise duty on two things, sugar and tobacco in dividable pool. This award actually thought to be a move on towards fiscal devolution by spreading more monetary independence to provinces. Further ever first the federating units had right on net hydel income, surcharge on gas and excise duty on crude oil was acknowledged and amounts transferred in shape of straight relocations to provinces.

The transfers to federating units from federation increased from 28% to 45% of federal tax revenue. This increase was from Rs. 39 billion to Rs. 64 billion (Ghaus and Pasha, 1994). The percentage shares which units got under fourth award are presented in given table.
Thus, according to 4th award growth was recorded in province share horizontally up to 17%. This means addition in share from federal revenue on tax from 28% to 45% (Ghaus and Pasha, 1994).

However, the volume of monetary transfer from federal to provincial government had been increased due to addition of more items in dividable pool. On the other hand in-order to meet developmental essential of provinces the special grants to provinces were also given as under:

**Provincial Share in 4th NFC Award 1991**

<table>
<thead>
<tr>
<th>Punjab</th>
<th>Sindh</th>
<th>Khyber Pakhtunkhaw</th>
<th>Baluchistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>57.88%</td>
<td>23.28%</td>
<td>13.54%</td>
<td>5.30%</td>
</tr>
</tbody>
</table>

**Source:** Pakistan (1991)

Though an upsurge is visible in-terms of fiscal operation and more transfers from divisible pool to provinces. Under this award clear direction were issued for the provinces
to generate own revenue in-order to manage expenditures. Unfortunately provinces could not meet this target because corresponding assets were not transferred to the provinces. In the result provinces could not generate the required revenue (Sadaqat, 2006).

v) 5th NFC 1997

The caretaker PM Khalid Mairaj had organized NEC in December, 1996. Mr. Burki, Finance Minister was Chairman of 5th NFC award. This commission finalized the award in 1997 February. The dividable pool had been expanded by enclosure inclusive type of tax. This was included now; sales tax, income tax, wealth tax, capital value tax, custom duties, export duties, excise duties (other than duty on gas that is charged at wellhead), and all other taxes that were imposed or collected by federal government at that time. Similarly, payments on crude oil and net surcharges on natural gas were extended to provinces in the shape of straight transfers. In addition, the commission also declared incentive of matching grant, though up to a certain limit, to the provinces that if provinces surpass 14.2% growth targets in revenue. In-order to manage debt provinces had been given matching grants. The grant given to provinces is depicted in table below:

<table>
<thead>
<tr>
<th>Amount in Rs. Million</th>
<th>Punjab</th>
<th>Sindh</th>
<th>Khyber Pakhtunkhaw</th>
<th>Baluchistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>500</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

The award under NFC 1996 marked as vital this award had divided the public expenses into priority and non-priority categories (Sabir, 2001). This categorization was made to resolve fiscal challenges in-order to put the country on development.

The share of provinces was altered in divisible pool by including all taxes in it. Federal government got the share 62.5% that was 20% previously. This was initially proposed in 1985 that was further revised in 2002 after census of 1998 (Sabir, 2001).

There was no change in the criteria of resource distribution because still the population was main constituent. The share in percentage of provinces remained the same. The maximum share remained 57.88% with Punjab and the minimum share was with Baluchistan as 5.3%. The details are as under:

**Provincial Share in 5th NFC Award 1997**

<table>
<thead>
<tr>
<th>Province</th>
<th>Amount in Rs. Million / years</th>
<th>Punjab</th>
<th>Sindh</th>
<th>Khyber Pakhtunkhwa</th>
<th>Baluchistan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>-</td>
<td>-</td>
<td>3.31 (To be adjusted for inflation)</td>
<td>4.08 (To be adjusted for inflation)</td>
</tr>
<tr>
<td>Next Year’s Increase</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

**Source:** Pakistan (1997)
Keeping in observation the miserable economic situation in NWFP and Baluchistan the special grants of Rs. 3.3 and 4 billion respectively were given to these provinces for next five years. These totals were also subject to be adjusted for inflation. This step was appropriate towards the provincial autonomy.

vi) The 6th NFC Award 2000

Despite of problems at implementation stage the NFC awards of 1991 and 1997 stayed successful in improving in resource distribution mechanism. The 6th NFC for year 2000 was organized by President Musharraf. Provincial governments kept on demanding 50% share from dividable pool but federal government was reluctant to extend only 45% of that. This difference can be met and it ended without any success (Mello & M. Barenstein, 2001).

vii) The 7th NFC Award 2006

After fruitless ending of 6th NFC the new commission was nominated on 21st July, 2005. Yet the deadlock was prevailing amongst the stake holders. The commission faced snags in attaining agreement for harmonious resource dissemination mechanism.

Therefore, as a final option all chief ministers provinces vested the authority to the President under the Article 160(6) for declaring an acceptable and vindicated financial resource sharing formula. Hence, President General Pervaiz Musharraf modified the ‘Distribution of Revenues and Grants-in-Aid Order, 1997’ by issuing Ordinance No. 1 in 2006. Thus finally after a delay of six years, the resource dissemination mechanism of 1997
was amended on 1st July, 2006 (Pakistan. 2006a). Considering the provincial demands the share for provinces was increased than federal government and provinces were given continuing increase in shares (Ahmed, 2007).

However, NFC has experienced many deadlocks mainly due to non-agreement among the provinces. In political economy like Pakistan provinces have opposing characteristics that’s why offer dissimilar economic opportunities to people. The varying interests of provinces enfeebled bargaining power. With the passage of time, provinces have demanded inclusion of diverse criteria in resource distribution formula. This negative provincial tendency is another hurdle in the way of provincial autonomy in Pakistan.

In short, prior to 18th amendment federation-provinces relations remained conflictual overall. The credential for this argument is evident through meetings of CCI less than required and mandatory. The CCI is the constitutional forum of conflict resolution and fewer meetings turn into more federation-provinces conflict. Because the core reason behind federation and provinces relation has been economic share in distribution of national resources. And federal government was responsible to ensure equitable resource distribution under a formula through NFC award. But federal government remained unsuccessful in this regard. Provinces frequently had been demanding the due share in economic resources but mostly the federal government remained unsuccessful to evolve this issue.

It would be worth mentioning here that the political clashes from 1973 till the 18th amendment were basically due to the economic unfair distribution. And provinces were
striving for political arena because political body basically makes the economic decisions. Thus economic autonomy can guarantee the harmonious federation-provinces relations.

However deadlock in NFC awards even before the 18th amendment has been the prominent feature of Pakistan politics. But it has been observed that along the federation the inter-province conflicts and disagreement on resource distribution formula is also responsible for this delay. But under the theory of federalism, again federal government stands responsible to resolve all hurdles in the way of just economic distribution among the provinces and federation in-order to extend complete political and economic autonomy to provinces in Pakistan.

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**Chapter-5**
FEDERALISM AND PROVINCIAL AUTONOMY UNDER THE CONSTITUTION OF PAKISTAN 1973: Post 18th Amendment Political and Economic Dimensions

The fifth chapter analyses political and economic scope of federalism and provincial autonomy under the Constitution of Pakistan 1973. This chapter deals with post eighteenth amendment political and economic dimensions of provincial autonomy under the Constitution of Pakistan 1973 because provincial autonomy in true letter and spirit was promised in 18th amendment. The amendment had appeared with the tendency that egalitarian regime under federalism with uncompromised provincial autonomy would be guaranteed in Pakistan. The 18th amendment covers issues related to regional disparities left unresolved since the inception of Pakistan. It further discusses that, to which extent the Constitution of Pakistan 1973, after 8th amendment, is proficient to establish consociational regime so that the demands of the neglected fragments of society in smaller provinces could be addressed.

After the general elections of 2008 Pakistan Peoples’ Party (PPP) formed the federal government. General Pervez Musharraf resigned from the office of President and Mr. Asif Au Zardari co-chairman of PPP was elected as the President of Pakistan in 2008. The PPP government, after getting into power, formed a constitutional amendment committee in 2009 in-order to recommend an amendment package for the restoration of the 1973 constitutional document to its original character. The Committee was comprised of 26 members from all the major political parties and other political shareholders. The
committee drafted a Bill of amendment which was approved unanimously by National Assembly and Senate respectively on April 8 and 15, 2010. This amendment was converted into law when president had put signatures to it on April 19, 2010. This amendment called Eighteenth Amendment Act to Constitution of Pakistan 1973. The federal government instituted an implementation commission on May, 4, 2010 in-order to work on the implementation of 18th Amendment. The reinstatement of the Constitution of 1973 to its original position was meant to reinforce the true democratic structure in Pakistan and to remove the blocks that have obstructed institutional growth. Further, Eighteenth Amendment revisited the federation-provinces relations at large because the core intention behind the implantation of 18th amendment was to create agreeable working relationship between the federal units by providing meaningful economic and provincial autonomy (Ashtyn, 2016).


Practically, provincial autonomy in Pakistan mainly depends on the working relation between federation and federating units. And in the constitution of Pakistan 1973, Part V. Vi and Schedule IV deal directly with federation provinces relations. These parts and schedule of the constitution under federalist approach indeed determine the framework and mechanism for economic and political autonomy of provinces. The
18th constitutional amendment has brought about the following significant reforms that effected federation-provinces relations at large (Express Tribune, 2013):

i) Abolition of concurrent list

ii) Streamlining the Federal list-I and II

iii) Abolition of ministries

iv) Revision of schedule-iv of the constitution

v) Strengthening the Council of Common interests (CCI)

vi) Redefining the criteria of National Finance Commission (NEC) Award

vii) Establishment of Inter-provincial Coordination Ministry

viii) Powers, procedure and functions of National Economic Council (NEC) reformed

ix) Powers of Auditor General of Pakistan enhanced

Therefore in-order to understand federalism and provincial autonomy it is very important to study the subsequent post 18th amendment constitutional provisions dealing with the phenomenon under study and given in Annexure of this study.

5.1.1 Post 18th Amendment Constitution of Pakistan 1973 Part V and Relations between Federation and Provinces
The Part V of the Constitution of 1973 consists of three chapters and Article 141 to 159. This part deals with the political dimensions of provincial autonomy. The chapter one from Article 141 to 144 deals with the power distribution between federation and provinces pertaining to legislation, chapter two from Article 145 to 152 deals with the administrative relations between federation and the federating units whereas chapter three from Article 153 to 159 deals with the special provisions to resolve the federation-provinces conflicts and conflicts amongst the federating units (Constitution of Pakistan 1973).

Chapter 1: The Power Distribution between Federation and Provinces Pertaining to Legislation

i) Article 141: Extent of the Federal and Provincial Laws

ii) Article 142: Subject-mailer of Federal and Provincial Laws

iii) Article 143: Inconsistency between federal and provincial law

iv) Article 144: Powers of Parliament to Legislate for One or More Provinces through Consensus

Chapter 2: The Administrative Relations between Federation and the Federating Units

i) Article 145: Power of President to Direct the Governor in-order to Discharge Certain Functions

ii) Article 146: Powers of Federation to Confer Powers on Provinces in Certain Cases

iii) Article 147: Power of the Provinces to Entrust Functions to the Federation
iv) Article 148: Obligation of Provinces and Federation

v) Article 149: Directions to Provinces in Certain Cases

vi) Article 150: Full faith and Credit for Public Acts, etc.

vii) Article 151: Inter-provincial trade

viii) Article 152: Acquisition of land for federal purposes

Chapter 3: Special Provisions to Resolve the Federation-provinces Conflicts and Conflicts Amongst the Federating Units

i) Article 153: Council of Common Interests

ii) Article 154: Functions and Rules of Procedure

iii) Article 155 Complaints Against Interference with the Water Supplies

iv) Article 156 for the creation NEC

v) Article 157 for electricity

vi) Article 158 deals with the priority of natural gas requirement

vii) Article 159 regarding telecast and broadcasting

5.1.2 Post 18th Amendment to the Constitution of Pakistan 1973 Part VI and Federation-Provinces Relations

The Part VI of the Constitution of 1973 also consists of three chapters and Articles from 160 to 174. This part deals with the economic dimensions of provincial autonomy. The chapter one from Article 160 to 165 deals with the finance, chapter two from Article 166 to 171 deals with the borrowing audit and accounts whereas chapter three from Article 172 to 174 deals with liabilities.
Chapter 1: Finance

1) Article 160: National Finance Commission N.F.C.

Within six months of the commencing day and thereafter at intervals not exceeding five years, the President shall constitute a National Finance Commission consisting of the Minister of Finance of the Federal Government, the Ministers of Finance of the Provincial Governments and such other persons as may be appointed by the President after consultation with the Governors of the Provinces.

The respective taxes are:

(i) Taxes on income, including corporation tax, but not including taxes on income consisting of remuneration paid out of the Federal Consolidated Fund;

(ii) Taxes on the sales and purchases of goods imported, exported, produced, manufactured or consumed;

(iii) Export duties on cotton, and such other export duties as may be specified by the President;

(iv) Such duties of exercise as may be specified by the President; and as soon as may be after receiving the recommendation, of the National Finance Commission, the President shall, by Order, specify, in accordance with the recommendations of the Commission under paragraph (a) of clause (2), the share of the net proceeds of the taxes mentioned in clause (3) which is to be allocated to each Province, and that share shall
be paid to the Government of the Province concerned, and, notwithstanding the provision of Article 78 shall not form part of the Federal Consolidated Fund.

**ii) Article 161: Natural gas and Hydra-electric Power**

The net profits earned by the Federal Government, or any undertaking established or administered by the Federal Government from the bulk generation of power at a hydro-electric station shall be paid to the Province in which the hydro-electric station is situated. Explanation - For the purposes of this clause “net profits” shall be computed by deducting from the revenues accruing from the bulk supply of power from the bus-bars of a hydro-electric station at a rate to be determined by the Council of Common Interests, the operating expenses of the station, which shall include any sums payable as taxes, duties, interest or return on investment, and depreciations and element of obsolescence, and over-heads, and provision for reserves.

**iii) Article 162: Prior Sanction of President to Bills Affecting Taxation in which Provinces are interested**

**iv) Article 163: Provincial Taxes in Respect of Professions, etc.**

**v) Article 164: Grants out of Consolidated Fund**

**vi) Article 165: Exemption of Certain Public Property from Taxation**

**vii) Article 165A: Power of Majlis-e-Shoora (Parliament) to Impose Tax on the Income of Certain Corporations etc.**
Chapter 2: Borrowing, Audit and Accounts

- **Borrowing**

  i) Article 166: Borrowing by Federal Government

  ii) Article 167: Borrowing by Provincial Government

  iii) Article 168: Auditor-General of Pakistan

  iv) Article 169: Functions and Powers of Auditor-General

  v) Article 170: Power of Auditor-General to Give Directions as to Accounts

  vi) Article 171: Reports of Auditor-General

Chapter 3: Property, Contracts, Liabilities and Suits

  i) Article 172 is about ownerless property

  ii) Article 173 is about power to acquire property and to make contracts etc.

  iii) Article 174 is about suits and proceedings

5.1.3 Fourth Schedule of the Constitution of Pakistan 1973: Federation- Provinces

Power Sharing According to Legislative Lists
After 18th amendment the concurrent legislative list has been removed from the constitution of Pakistan 1973, and under Article 70(4) only two legislative lists have been formed; federal legislative list-I under and II. The federation owes powers to deal with subjects related to the FLP-I and II which are in joint ownership of the federation and federating units under the participatory management managed by CCI. Federal legislative lists Part-I and II contains 54 and 18 subjects respectively. Rest of the subjects which are not included in federal legislatives list have been transferred to provinces in-order to give the provinces economically and politically autonomous status under the constitution of 1973. However the federal legislative part-I and II impacted the provincial autonomy at large. Corporations, that is to say, the incorporation, regulation and winding-up of trading corporations, including banking, insurance and financial corporations, but not including corporations owned or controlled by a Province and carrying on business only within that Province, or cooperative societies, and of corporations, whether trading or not, with objects not confined to a Province, but not including universities.

The salaries, allowances and privileges of the President, Speaker and Deputy Speaker of the National Assembly, Chairman and Deputy Chairman of the Senate, Prime Minister, Federal Minister, Ministers of State, the salaries, allowances and privileges of the members of the Senate and the National Assembly, and the punishment of persons who refuse to give evidence or produce documents before committees thereof. Jurisdiction and powers of all courts, except the Supreme Court, with respect to any of the matters in this list and, to such extent as is expressly authorized by or under the Constitution, the
enlargement of the jurisdiction of the Supreme Court, and the conferring thereon of supplemental powers.

5.2 FEDERALISM AND PROVINCIAL AUTONOMY: A CRITICAL APPRAISAL POST 18th CONSTITUTIONAL AMENDMENT

It is beyond doubt that eighteenth amendment to the Constitution of Pakistan 1973 has wide ranging political and economic impacts over federal-provinces relations. However following points are vital to discuss while discussing the post amendment:

1. Some entries are deleted from FLL part-I. These are now the part of residuary items and thus automatically shifted to provinces. These entries are:

   i) state lotteries under entry 33 Entry 33

   ii) duties with respect to succession to property under entry 45 and 46

   iii) tax on capital value of immovable assists under entry 50

2. Some of the entries are shifted from FLF part-I to FLL part-II. These entries are now not only the property of federal government but under the joint ownership of federal government and provinces. These shared functions will be under supervision of council of common interest. These entries are:

   i) Ports under entry 21

   ii) Planning and coordination of scientific research under entry 32
iii) Census as per entry 38
iv) Standards of weights and measure under entry 39

3. Concurrent list perished away and the entries now transferred to the provinces. Certain significant admissions to Provinces are going to have substantial economic impact over provincial autonomy. These are:

i) Drugs and medicines

ii) Environment

iii) Population planning and social welfare

iv) Labor welfare, trade unions, labor exchanges, unemployment insurance

v) Zakat

vi) Tourism

4. Some entries were formerly in concurrent list but now included in FLL-II. These entries are:

i) Electricity-entry 34

ii) Medical and legal professions-entry 43

5. CCI under article 153 and NEC under article 156 are strengthened under the framework of 18th amendment. The procedure of working of these two institutions has been revitalized. These institutions were inactive part of the constitution in-fact before 18th amendment and
the provinces particularly smaller ones were continuously demanding the effective function of CCI and NEC in-order to have more provincial autonomy. The revitalization of these institutions actually has given the new dimension to the federal and provinces working relations towards achieving the provincial autonomy.

6. The restructuring of CCI indeed is a step towards greater provincial autonomy and greater provincial share in the resource distribution. This change has helped the federalism in resolving the disputes under the supervision of federation. This again has become a tool towards the conflict management. In Para 21 of the 18th amendment it is clearly stated that this institution is to provide the collective leadership to further get strong federation by extending political and economic autonomy to provinces. In-order to make CCI an effective dispute resolving institution it is bound to submit its report to the parliament annually under the article 153 (4). Further to address the provincial issues CCI under article 154 (1) is authorized to formulate and regulate policies for FLL-II. It supervises and controls institutions in this regard as well. Article 154 (2) suggests that after the oath of Prime Minister the CCI will be constituted within thirty days. This council must have permanent secretariat under article 154 (3). The meeting of CCI must be held once within ninety days. The newly entries of FLL-II after 18th amendment will also be supervised by CCI. These entries are:

i) Public debt management and supervision

ii) Regulatory authorities

iii) Matters related to inter-province
7. Though prime minister is the chairman of CCI and he is to nominate three more members from federal government. But the provincial representation through chief ministers extends autonomy to the provinces. However, the disputed issues stand resolve by the majority of opinion under article 154 (4).

8. In Pakistan the water and power has been the base of conflict between federation and provinces and among the provinces since long. After 18th amendment the CCI has been declared the legal and legitimate forum to settle this dispute. Under article 157 (3) provinces may also call the meeting of CCI, now it is not the exclusive right of federal government. This extends more autonomy to the provinces.

9. The national economic commission (NEC) has also been restructures in terms of size, procedure and functions under article 156. The chief ministers of provinces are also the member of this body. In this way provinces are given the stake in national planning and development-the primary responsibility of NEC. Further chief ministers are empowered to nominate one more member with them for NEC.

10. It is vital to mention that NEC has extended more autonomy towards provinces because the federal representation including prime minster in this body is restricted to five but the provinces have eight members. It ultimately accommodates more say of the provinces.

11. The functions of NEC have also been revised to extend more provincial autonomy to provinces. Its functions after 18th amendment include review of entire economy of federation and provinces to advise the respective governments. It plans the social and
economic policies to have better outcomes of financial design more development and provincial autonomy oriented. The provinces are more autonomous now because NEC has given mandate to look after the regional development on equitable grounds under article 156 (2). NEC is guided by the constitution under chapter 2, part-II.

12 Under article 156 (4) the NEC must meet at least two times in a year. In this way provinces get more opportunity to raise their voice through NEC twice in a year. NEC submits report on annual basis to the parliament.

13. National financial commission has also been revitalized under 18th amendment. The article 160 (3) suggests that the share in resources of divisible pool under NFC award for provinces will not be less than the previous share. This offers economy autonomy to provinces.

14. The article 160 (3) fix responsibility of finance ministers of federal and provincial governments to look into the implementation of NFC award. This binds the finance ministers to present report in the respective legislatures.

15. Very important change after 18th amendment is about the revenue in terms of federal excise duty over gas and oil wellheads. The article 161 (a) on gas and 161 (b) on oil directs federal government that the collected duty on such wellheads will be transfer to the respective province. This has addressed the demand od Sindh province at large. Further federal excise duty is now not the part of federal consolidated fund.
16. The important change under 18th amendment is about the empowerment of provincial government to raise international loans. This is expected that through international loans the provinces will launch more development projects.

The provinces under article 167 (4) may also raise internal and domestic loans on the guarantee of provincial consolidated fund. The limits for loans under the guarantee of PCF the NEC will specify it.

18. Significant alterations which carry further assets to Provinces have been prepared in article 172. Under article 172 (2) ocean is territorial waters of Pakistan and will be owned by the Provinces instead of Federal Government. Likewise with addition of fresh clause (3) in Article 172 provinces got more autonomy for the joint ownership of resource with federal government.

19. In order to manage the hurdles in the way of implementing the 18th amendment and to empower the provinces quickly under article 270AA (8) the cutoff date has been fixed as June 13, 201. A parliamentary committee and an implementation commission have been constituted to monitor all the process of devolution. Though the cutoff date has passed and yet major work in this regard has to be done but it gives satisfaction to the provinces that now at least federation is on right track towards the political and economic autonomy of provinces through devolution process.

5.3 IMPACT AND IMPLICATIONS OF POST 18th AMENDMENT ADOPTED POLITICAL AND ECONOMIC POWERSHARING MECHANISM TO PROVINCIAL AUTONOMY IN PAKISTAN
The impact and implications of the 18th Amendment, especially for the provinces could be analyzed by studying the legislative, administrative policy and planning frames for the political autonomy. However revenue and expenditures provide insight into the fiscal autonomy of provinces. The provinces literally wheeze what has changed after 18th Amendment but experience that there is no ordered forum in-order to share experiences to get the way forward. Likewise system to share institutional reminiscence of past 70 years is too absent. This part deals with the data that how provinces have internalized spirit of 18th Amendment and catalyzed process of change. The change drivers in provinces must apprehend issues interlinked with devolution process (Dr. Leslie Seidle and Zafarullah Khan, 2012).

The following discussion focuses the political and economic potential of post 18th amendment power sharing mechanism to impact federation-provinces working relations over the long-lasting desire of provinces for political and economic autonomy.

A) Political Dimensions

B) Economic Dimensions

A) Political Dimensions of 18th Amendment for Provincial Autonomy: Structural, Institutional or functional and instrumental Reforms

i) Post 18th Amendment Structural Reforms under Legal Framework
The Concurrent Legislative List has been omitted from the constitution by the Eighteenth Amendment Act 2010 to the constitution of 1973. The Act includes a total of 102 amendments, which have amended, substituted, added or deleted various provisions of the Constitution. With the abolition of the Concurrent Legislative List, the longstanding plea over provincial autonomy come under fruition, and the provinces have at the same time been provided legitimate constitutional rights in governance, and in managing and utilization of their natural resources. But Eighteenth Amendment Act 2010 also declares that all altered laws stand at stage as before the 17th amendment. (Article 270AA (6), Constitution of Pakistan).

After insertion of article 270AA (6) no legislative gap is left. This has opened new prospects for provinces to bring innovation in legislation that can facilitate the implementation of devolution process and provincial autonomy. This will help the provinces to utilize what was passive in the past in-order to improve infrastructure to give practical shape to constitutional provisions for transition of resources for provincial autonomy.

According to the data taken from the archives of provincial assemblies 70 laws or even more were to be altered by provinces in-order to satisfy the responsibility charter devolved to them after deletion of concurrent list under 18th amendment. These laws were to be made with respect to the devolved subjects to the provinces (Flasan. 2012).

KPK remained successful in altering the 35 laws. The altered laws by KPK are about local government, curriculum, and education etc.
Punjab also dealt with 35 laws to bring the devolved subjects under legal framework after 18th amendment. Punjab complaints that some laws are yet to be altered because of delay in devolution of workers welfare funds, EOBI, and evacuee property tax. Political leadership of Punjab is of the view that article 142 (b) has created concurrent once again due to joint ownership concept of federation and provinces. Because federal and provincial legislatures both have powers to decide upon some laws like criminal laws and procedures and evidence etc. (Mohsin, 2012).

Sindh’s legislature is trying to make the devolved subjects under legal framework synchronizing these laws with the devolved plan under 18th amendment. The Sindh assembly has changed laws over local government and working on the right of information act as well.

Balochistan in May 2010 has also altered the law of local government. Some more laws regarding education, Zakat and labor are under process of legislation in provincial legislature.

In this way 18th amendment has increased the legislative autonomy of provinces and though still provinces are facing some challenges to synchronize the laws with devolution process but at the same time provincial governments are taking advantage of it according to their capacity expertise and needs.

It would be worth mentioning here that after 18th amendment federal law ministry at own cannot frame any law of provincial pursuit or on subjects of joint ownership. Further regarding any department if ministry wants to legislate, first it will send the proposed draft
to the department concerned but cannot legislate without the departmental consent. But it is unfortunate that there is no appropriate mechanism available for inter departmental communication. Another missing component is lack of mechanism to take the public onboard. In democracies public opinion has much importance that’s why to include the public opinion there must be a mechanism in federal as well as provincial setup. Legislators even are less aware what is happening around them in terms of framing of laws. For instance, a member of Sindh assembly registered a complaint that he used to take information only through media about the developments in law making because there is no mechanism of inter departmental communication. Therefore effective channels of communication must be present for ministries, MPAs and the public. This will help more to resolve the issue of overlapping of particular laws framed under article 142 (2) (Dr. Leslie Seidle and Zafmllah Khan, 2012). However here is the table to show which law is under the domain of which government after 18th amendment:
<table>
<thead>
<tr>
<th>S. No.</th>
<th>Subject</th>
<th>Domain After 18th Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Federal Legislative List and II</td>
<td>The Parliament</td>
</tr>
<tr>
<td>2.</td>
<td>Fundamental Rights: Right to Education,</td>
<td>Federation and the provinces</td>
</tr>
<tr>
<td></td>
<td>Right to Information and all other justiciable fundamental rights</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>(a) Local Government</td>
<td>(a) Provinces</td>
</tr>
<tr>
<td></td>
<td>(b) Only for Cantonments (entry i.FL-II)</td>
<td>(b) Federal Government</td>
</tr>
<tr>
<td>4.</td>
<td>Criminal Law, Procedures and Evidence (Article 142 (I))</td>
<td>Both the federal Parliament and provinces (New concurrency)</td>
</tr>
<tr>
<td>5.</td>
<td>Residual subjects (including the subjects of abolished Concurrent List)</td>
<td>Provinces</td>
</tr>
<tr>
<td>6.</td>
<td>For Islamabad Capital Territory and other territories outside provinces</td>
<td>The Parliament</td>
</tr>
<tr>
<td>7.</td>
<td>Assigned under Article 144 (for one or more provinces by consent)</td>
<td>The Parliament</td>
</tr>
<tr>
<td>8.</td>
<td>(a) Federally Administered Tribal Areas (FATA) (b) Provincially</td>
<td>(a) The president can extend/direct</td>
</tr>
<tr>
<td></td>
<td>Administered Tribal Areas (PATA)</td>
<td>(b) The governor can extend/direct</td>
</tr>
</tbody>
</table>
ii) Post 18th Amendment Institutional and Functional Reforms under Administrative Framework

a) Council of Common Interests (CCI)

Under 18th amendment the restructuring of CCI indeed is a step towards greater provincial autonomy and greater provincial share in the resource distribution. This change has helped the federalism in resolving the disputes under the supervision of federation. This again has become a tool towards the conflict management. In Para 21 of the 18th amendment it is clearly stated that this institution is to provide the collective leadership to further get strong federation by extending political and economic autonomy to provinces. 

In-order to make CCI an effective dispute resolving institution it is bound to submit its report to the parliament annually under the article 153 (4). Further to address the provincial issues CCI under article 154 (1) is authorized to formulate and regulate policies for FLL-II. It supervises and controls institutions in this regard as well. Article 154 (2) suggests that after the oath of Prime Minister the CCI will be constituted within thirty days. This council must have permanent secretariat under article 154 (3). The meeting of CCI must be held once within ninety days. The newly entries of FLL-II after 18th amendment will also be supervised by CCI (Pasha, 2012).

b) National Economic Council (NEC)

The national economic commission (NEC) has also been restructures in terms of size, procedure and functions under article 156. The chief ministers of provinces are also the member of this body. In this way provinces are given the stake in national planning and
development—the primary responsibility of NEC. Further chief ministers are empowered to nominate one more member with them for NEC. It is vital to mention that NEC has extended more autonomy towards provinces because the federal representation including prime minister in this body is restricted to five but the provinces have eight members. It ultimately accommodates more say of the provinces. The functions of NEC have also been revised to extend more provincial autonomy to provinces. Its functions after 18th amendment include review of entire economy of federation and provinces to advise the respective governments. It plans the social and economic policies to have better outcomes of financial design more development and provincial autonomy oriented. The provinces are more autonomous now because NEC has given mandate to look after the regional development on equitable grounds under article 156 (2). NEC is guided by the constitution under chapter 2, part-II. The article 156 (4) puts bindings on NEC to meet at least two times in a year. In this way provinces get more opportunity to raise their voice through NEC twice in a year. NEC submits report on annual basis to the parliament.

c) National Finance Commission (NFC)

NFC Award is basically constitutional responsibility of federation. It has been openly directed in the article 160 of constitution of 1973 that it is compulsory for federal government to constitute NFC Award with the five years for resource distribution between federation and provinces. The national financial commission has also been revitalized under 18th amendment. The article 160 (3) suggests that the share in resources of divisible pool under NFC award for provinces will not be less than the previous share. This offers
economy autonomy to provinces. The article 160 (3) fix responsibility of finance ministers of federal and provincial governments to supervise its implementation and then submit reports to respective legislature. An important change after 18th amendment is about the revenue in terms of federal excise duty over gas and oil wellheads. The article 161 (a) on gas and 161 (b) on oil directs federal government that the collected duty on such wellheads will be transfer to the respective province. This has addressed the demand od Sindh province at large. Further federal excise duty is now not the part of federal consolidated fund. The important change under 18th amendment is about the empowerment of provincial government to raise international loans. This is expected that through international loans the provinces will launch more development projects. The provinces under article 167 (4) may also raise internal and domestic loans on the guarantee of provincial consolidated fund. The limits for loans under the guarantee of PCF the NEC will specify it. Another vital change which carries further assets to Provinces have been prepared in article 172. Under article 172 (2) ocean is territorial waters of Pakistan and will be owned by the Provinces instead of Federal Government. Likewise with addition of fresh clause (3) in Article 172 provinces got more autonomy for the joint ownership of resource with federal government (Rana, 2012).

Post 18th amendment, the consensus on 7th NEC Award has attained after undergone different conversions. Economic resources are major component of development. Therefore equitable dispersal of economic resources is fundamental duty of federal government and right of provinces. Thus the 7th NFC award has addressed this aspect and necessary arrangements have been made under this award for distribution of resources by
keeping the development factor in consideration. This has won confidence of federating units for federation (Kakhakel, 2012).

d) Office of the Auditor General of Pakistan

The Auditor General of Pakistan has been created under Article 168 to ensure public accountability and fiscal transparency and oversight in governmental operations.

The article 169 deals with functions of this office. The Clause (3) and (3A) have been inserted after the eighteenth amendment to the constitution of 1973 which further empowered the office of Auditor General of Pakistan. This office not only deals with the accounts of federal and provincial governments but also exercises power towards raising the domestic and international loans of provincial governments. In this way it leave an impact over provincial autonomy.

e) Inter provincial coordination ministry

Under Rule 3 (2) of rules of business of 1973 constitution prime minister had approved creation of Inter provincial coordination division on March 19, 2007. The functions related to the inter provincial coordination were transferred to IPCD. After that under 18th amendment it was given the status of complete ministry with effect from November 3, 2008. Due to 18th Amendment, the functions of the Ministry of IPC have been increased. Necessary amendments have been made in the Rules of Business, 1973. After 18th amendment IPC ministry has been assigned important functions in-order to develop good relations between federation and provinces.
f) Devolution of Ministries

In-order to implement reformed constitutional provisions of 18th amendment the federal government was to devolve 17 ministries to the provinces in two phases. Under phase one 10 ministries were to be devolve. These ten ministries include education, social welfare, special education, tourism, special initiatives, population planning, local government, rural development, Zakat and Ushr, youth affairs, livestock, dairy development and culture in December 2010 and April 2011. In second phase seven ministries were to be devolved to the provinces in June 2011. With the devolution of 17 federal ministries to provinces paved the way to provincial autonomy. Moreover, functions without corresponding assets were transferred to ministries devolved to provinces. This not only came up with more challenges to provinces but also invited new debate between provinces and federation (Rilkonen, 2012).

iii) Instrumental Reforms: Reforms for Equalization and Transfers

In-order to satisfy the requirement of provincial autonomy, the eighteenth amendment to the constitution of Pakistan 1973 has also brought about some meaningful reforms after consensus regarding:

a) Sharing of revenue: Taxes and duties (fees, surcharge, levy)

b) Intergovernmental grant transfer: Conditional and unconditional

c) Transfer of assets and resources
d) Transfer and sharing of liabilities

e) Transfer of services

f) Provincial borrowing

iv) Timeline of Devolution

Under 18th amendment the Article 270AA inserted in the constitution to determine the timeline of proposed devolution. The Clause (8) of the Article 270AA asserts that on the omission of the Concurrent Legislative List, the process of devolution of the matters mentioned in the said List to the Provinces shall be completed by the thirtieth day of June, two thousand and eleven, And under Clause (9) of the same article it is stated that for purposes of the devolution process under clause (8), the Federal Government shall constitute an Implementation Commission as it may deem fit within fifteen days of the commencement of the Constitution (Eighteenth Amendment) Act, 2010.

V) Policy Reforms

Prior to 18th amendment policy matters were merely under federal domain. It was federal government that has been exercising the right over formulation and implementation of particularly fiscal matters. Consequently the social development was dependent over federal government because social development is closely linked with the economic conditions. Federal government was doing this through planning commission. The federal government had a specific stereotype policy templet in which disparities at provincial level
were merely to be addressed. In this way provinces were actually the tool of federally designed policies.

But 18th amendment has significantly revitalized the policy formulation role of provinces. Now provinces are not only the serving tool of federally designed policies formulator of own policies to bridge socio-political and economic needs of people and the centralized policies of federal government. After initiation of devolution plan provinces have more space to perform effective role in policy formulation. Provinces must bring innovation to policy design and focus on neglected areas in-order to enjoy complete provincial autonomy. For this provinces must enhance their capacity to plan and initiate required policies (Siraj, 2011).

Under this policy shift now provinces have right to make educational policy under Article 25 A. This article deals with the right to free compulsory education. Provinces are appreciating this inclusion but complaining of lack of resources to give practical design to this concept. However Punjab has taken some solid steps towards policy formulation and implementation according to article 25A. Further under 18th amendment the provinces are given right to develop their own curriculum synchronized to their cultural values (Dr. Leslie Seidle and Zafrullah Khan, 2012).

However following table presents complete details about the shift in policy formulation:
## Post 18th Amendment Reporting Responsibility Policy

<table>
<thead>
<tr>
<th>No.</th>
<th>Subject</th>
<th>Domain After 18th Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Education and adherence to international commitments.</td>
<td>Shared responsibility of Economic Affairs division, Ministry of Inter-Provincial Coordination and Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>3</td>
<td>Women</td>
<td>Ministry of Human Rights</td>
</tr>
<tr>
<td>4</td>
<td>Minority Affairs</td>
<td>Ministry of National Harmony</td>
</tr>
<tr>
<td>5</td>
<td>Sports</td>
<td>Pakistan Sports Board</td>
</tr>
<tr>
<td>6</td>
<td>Cultural Pacts and Protocols</td>
<td>Ministry of National Heritage</td>
</tr>
<tr>
<td>7</td>
<td>Environment</td>
<td>Ministry of National Food Security and Research.</td>
</tr>
<tr>
<td>8</td>
<td>Agriculture</td>
<td>(a) The president can extend/direct</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) The governor can extend/direct</td>
</tr>
</tbody>
</table>
The reporting to parliament has also been improved under 18th amendment. Now reporting mechanism is as under:

<table>
<thead>
<tr>
<th>Report</th>
<th>Periodicity</th>
<th>The Senate</th>
<th>The National Assembly</th>
<th>Provincial Assemblies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principles of Policy Article 29 (3)</td>
<td>Annual</td>
<td>Yes (After 18th Amendment)</td>
<td>Yes</td>
<td>Yes, every province its’ own report</td>
</tr>
<tr>
<td>Council of Common Interests Article 153 (4)</td>
<td>Annual</td>
<td>Yes (After 18th Amendment)</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>National Economic Council Article 156 (5)</td>
<td>Annual</td>
<td>Yes (After 18th Amendment)</td>
<td>Yes</td>
<td>Yes, every province its’ own report</td>
</tr>
<tr>
<td>National Finance Commission Article 160 (313)</td>
<td>Bi-annual</td>
<td>Yes (After 18th Amendment)</td>
<td>Yes</td>
<td>Yes, every province its’ own report</td>
</tr>
<tr>
<td>Auditor General Article 173</td>
<td>Annual</td>
<td>Yes (After 18th Amendment)</td>
<td>Yes</td>
<td>Yes, every province its’ own report</td>
</tr>
</tbody>
</table>
B) Economic Dimensions of 18th Amendment for Provincial Autonomy: Impact on Provincial Revenue and Expenditure Assignments and on Divisible Pool for Economic Share

Eighteenth amendment has evolved fiscal decentralization mechanism in-order to arrive at determined level of provincial autonomy; a demand since the creation of Pakistan. Fiscal decentralization involves shifting some responsibilities with resources for expenditures and revenues to lower levels of government. One important factor in determining the type of fiscal decentralization is the extent to which sub-national entities are given autonomy to determine the allocation of their expenditures. The other important factor is their ability to raise revenue. This note outlines principles and best practice and highlights how country specifics will ultimately be the best determinant of expenditure assignments (The World Bank, 2001). However a preliminary analysis of post 18th amendment fiscal devolution mechanism, emerging issues and legislative or structural fissure is given in later discussion. The 18th Amendment to the Constitution has brought about certain basic changes that are very relevant in economic or fiscal perspective. These changes in-terms of prospects for provinces can be classified in the given table.

The 18th Amendment brought about more opportunities to the provinces at least in five economic dimensions. These fiscal dimensions are about duties, capital gain, state lotteries and sales tax. Earlier to 18th amendment provinces were heavily relying on the federal government in-order to meet fiscal needs but now under 18th amendment provinces may raise their own revenue in at least five aforementioned windows.
In this regard 18th amendment suggests that:

i) Federal government will consult with provincial government before installing hydroelectric power plant in provincial territory

ii) Share of provinces in NFC award would not be less than the previous

iii) Financial ministers of federal and provincial governments would monitor the implementation of decentralization plan for provincial autonomy

iv) These finance ministers are bound to present report to their respective legislature

i) **Impact under 181h Amendment on Revenue and Expenditure Assignments of Provinces**

Theory of federalism suggests that a close match between revenue and expenditure assignments at sub-national levels benefits allocative efficiency, and hence economic growth of the federation. That is a convergence of revenue and expenditure assignments at sub-national levels, government should, according to the theory, positively be associated with a higher growth rate. This ultimately leads towards provincial autonomy. The 18th amendment significantly contributed to change of provincial revenue in-terms of:

i) Collection of taxes and duties

ii) Revenue sharing

iii) Provincial borrowing: local and international

iv) Intergovernmental grants
Further, 18th amendment considerably contributed to variation of provincial expenditures as well. The details are as under:

**Pre and Post it Amendment Provincial Fiscal Operations to Show Impact of 18th Amendment on Revenue and Expenditure Assignments**

**Pre-Amendment Consolidated Revenue and Expenditure of Government (Rs. Billion)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. TOTAL REVENUE</strong></td>
<td>1499.4</td>
<td>1809.2</td>
<td>1850.9</td>
<td>2155.4</td>
</tr>
<tr>
<td>a) Tax Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Federal</td>
<td>1009.9</td>
<td>1251.5</td>
<td>1158.6</td>
<td>1493.6</td>
</tr>
<tr>
<td>• Of which FBR Revenue</td>
<td>1007.0</td>
<td>1250.0</td>
<td>1157.0</td>
<td>1380.0</td>
</tr>
<tr>
<td>• Provincial</td>
<td>41.0</td>
<td>57.0</td>
<td>46.1</td>
<td>70.0</td>
</tr>
<tr>
<td></td>
<td>2281.0</td>
<td>2391.5</td>
<td>2531.3</td>
<td>2877.4</td>
</tr>
<tr>
<td>----------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td><strong>B. TOTAL EXPENDITURE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Current Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>1420</td>
<td>1358.8</td>
<td>1495.9</td>
<td>1513.8</td>
</tr>
<tr>
<td>• Of which: Interest Payments</td>
<td>489.7</td>
<td>523.2</td>
<td>637.8</td>
<td>647.1</td>
</tr>
<tr>
<td>• Domestic</td>
<td>430.2</td>
<td>459.1</td>
<td>558.7</td>
<td>576.8</td>
</tr>
<tr>
<td>• Foreign</td>
<td>59.5</td>
<td>64.1</td>
<td>79.1</td>
<td>70.3</td>
</tr>
<tr>
<td>• Defense Expenditure</td>
<td>285.0</td>
<td>296.1</td>
<td>329.9</td>
<td>342.9</td>
</tr>
<tr>
<td>• Provincial</td>
<td>437.1</td>
<td>517.0</td>
<td>545.7</td>
<td>590.0</td>
</tr>
<tr>
<td>b) Current Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• PSDP</td>
<td>452.0</td>
<td>549.7</td>
<td>397.5</td>
<td>646.0</td>
</tr>
<tr>
<td>Federal</td>
<td>238.0</td>
<td>373.0</td>
<td>195.7</td>
<td>421.0</td>
</tr>
<tr>
<td>ERRA</td>
<td>-</td>
<td>26.7</td>
<td>-</td>
<td>25.0</td>
</tr>
<tr>
<td>Provincial</td>
<td>214.0</td>
<td>150.0</td>
<td>201.8</td>
<td>200.0</td>
</tr>
</tbody>
</table>
### Post-Amendment Consolidated Revenue and Expenditure of Government

<table>
<thead>
<tr>
<th>Fiscal Operations</th>
<th>2014-15</th>
<th>2013-14</th>
<th>% Growth</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,902.4</td>
<td>1,767.4</td>
<td>7.6</td>
<td>48.4</td>
</tr>
<tr>
<td>a) Tax Revenue</td>
<td>206.0</td>
<td>190.0</td>
<td>8.4</td>
<td>6.8</td>
</tr>
<tr>
<td>b) Non-Tax revenue</td>
<td>75.6</td>
<td>49.4</td>
<td>53.0</td>
<td>8.3</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>1,898.9</td>
<td>1,617.9</td>
<td>17.4</td>
<td>34.1</td>
</tr>
<tr>
<td>a) Current expenditure</td>
<td>1,400.1</td>
<td>1,187.4</td>
<td>17.9</td>
<td>31.6</td>
</tr>
<tr>
<td>b) PSDP</td>
<td>498.8</td>
<td>430.5</td>
<td>15.9</td>
<td>50.5</td>
</tr>
<tr>
<td>Fiscal Surplus! (Deficit)</td>
<td>87.3</td>
<td>196.9</td>
<td>562.4</td>
<td>-</td>
</tr>
</tbody>
</table>
In 2014-15 against the targeted amount of Rs, 650 billion allocated for provincial PSDP. The following were the two main causative factors:

- Limited understanding about generating surpluses between federal and provinces
- Timing of federal funds transfer to the provinces

Balochistan led amongst the provinces and spent around 35 percent of development expenditure on health, education, housing and community services, KPK and Sindh also spent significantly higher amount on health, education and social protection programs. In terms of infrastructure spending, Punjab remained at top and spent a major portion of around 42 percent of development expenditure on construction of roads and transportation.

Regarding revenues, the total tax collection of the provinces grew by 8 percent in 2014-15, though provinces after 18th amendment and 7th NFC award have higher fiscal responsibility and resources, but still facing issues related to institutions, capacity building and resource mobilization. A remarkable improvement was witnessed in provincial non-tax revenue that was raised by 53 percent in 2014-15 with a main contribution in the form of federal grants.

Amongst the provinces, despite lower GST rate as compared to other provinces, Sindh showed improved tax collection mainly due to broad taxation base and exemptions withdrawn by the provincial government in 2014-15. Punjab generated largest surplus, followed by Sindh and Baluchistan while KPK recorded budget deficit.
There is a need for the provinces to strengthen their newly established provincial revenue authorities and formulate mechanism for levying sales tax on service as well as on the most crucial area of agricultural income tax with an exception of Baluchistan, which has yet to establish its own tax revenue authority. Hence, provinces have to follow fiscal consolidation path by raising their revenue which will support the federal government in bridging the gap in the fiscal account.

**Overall Index for Fiscal Effort (IFE)**

<table>
<thead>
<tr>
<th>Province</th>
<th>2000</th>
<th>2005</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUNJAB</td>
<td>1.19</td>
<td>1.24</td>
<td>1.24</td>
</tr>
<tr>
<td>SINDH</td>
<td>.82</td>
<td>.82</td>
<td>.76</td>
</tr>
<tr>
<td>KHYBERPAKJ4TIJNKHWA</td>
<td>.73</td>
<td>.44</td>
<td>.63</td>
</tr>
<tr>
<td>BALOCHISTAN</td>
<td>.44</td>
<td>.44</td>
<td>.42</td>
</tr>
</tbody>
</table>

Source: Annual Budget Statements, (various years), Finance Department, Government of Punjab, Sindh, KPK and Balochistan.

The table shows a moderate growth in the provincial tax and non-tax revenues. But overall tax revenue to GPD of provinces declined from 0.55% to 0.46 from 2000-10 and 2009-10 respectively. This factor indicates lack of improvement in tax to GDP ratio in Pakistan. The revenue receipts of provinces in summary table shows that provincial share in tax collection is low and no improvement has seen over time. It is again critical to
analyze that the smaller provinces, according to given data in the table, rely more on the non-tax revenue. The KPK has been on the top of all the provinces since 2000 that it shares more non-tax revenue. Since the last decade Sindh shown significant rise in the share of non-tax revenue as compared to Punjab. Balochistan remained negative in this regard (Rana and Sumbal, 2010).

<table>
<thead>
<tr>
<th>Overall Cost Recovery Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Province</td>
</tr>
<tr>
<td>PUNJAB</td>
</tr>
<tr>
<td>SINDH</td>
</tr>
<tr>
<td>KHYBERPAKJ4TIJNKHWA</td>
</tr>
<tr>
<td>BALOCHISTAN</td>
</tr>
</tbody>
</table>

Source: Annual Budget Statements, (various years), Finance Department, Government of Punjab, Sindh, KPK and Balochistan

The focus of aforementioned tables is comparison of provinces and federal provincial revenue generation and expenditures. In Pakistan variations have been observed between the abilities of provinces in-terms of raising revenue. This variation is the result of variations in population, area, resources, economic activities and style of governance. The provincial comparison suggests that provincial capacity determines the raise of revenue. Sometimes it seems that provinces are unwilling at own to enhance their capacity of revenue generation because resource mobilization among the provinces id not
appropriate. According to given data the provincial share in GDP is 1% only (Hussain and Ijaz, 2010).

ii) 7th National Finance Commission (NFC) Award

The years 2009 and 2010 will be remembered by Pakistanis because the country witnessed two significant developments in the process of fiscal devolution. The first was the announcement of the 7th National Finance Commission (NFC) award, which was agreed on in December 2009. The second was the Parliament’s unanimous ratification of the 18th Amendment to the Constitution in April 2010. Together, these developments have the potential to fundamentally restructure governance in Pakistan (The Lahore Journal of Economics, 2012). The decision of national finance commission is called national finance commission Award. After 1 8th amendment in-order to give province their due economic share the 7th National Finance Commission Award was passed in 2010. The features of 7th NEC Award 2010 were far better than the previous awards because this award provided more autonomous status to provinces in-terms of economic share. The salient features of 7th NEC Award are as under:

a) Divisible Pool size

Size of divisible pool increased Rs. 68 billion and the share of provinces was set Rs. 39 billion. Further the collection charges decreased from 52% to 1%.
b) **Vertical Distribution**

Provincial share increased from 48.35% to 56% in the first year. The provincial share increased to 57.5% after the first year.

c) **Horizontal Distribution**

Multiple criterions have been set for distribution of share among the Provinces. 1. Population 82%

2. Poverty 10.30%

3. Revenue 5.00%

- Inverse Population Density (IPD) 2.70%: Province Wise Weightages

1. Punjab 51.74%

2. Sindh 24.55 %

3. Khyber Pakhtunkhwa 14.62%

4. Balochistan 9.09 %

d) **GST on Services**

Now the GST on services is provincial subject. The 7th NFC Award has decided that it would be collected by provinces. Provinces are bound to raise Rs.30 billion in respect.
e) Gas development surcharge (GDS)

1. 28.7% for Baluchistan
2. 3.0% for KPK
3. 7.8% for Punjab
4. 60.4% for Sindh

As per former formula, the loss of royalty to Baluchistan was about Rs. 2 billion which will be compensated through generating additional revenue of Rs. 1.8 billion under the revised formula.

f) Relief Measures for KPK and Baluchistan

NEC recognized the role of NWFP as front line province against War on Terror. Federal Government to bear all expenditure. The 1% of net proceeds of Divisible Pool earmarked for KPK and Baluchistan as the most under-developed province of Pakistan and having peculiar geographic and economic characteristics, Baluchistan got special attention of 7th NFC. In the horizontal distribution, its provincial pool has been increased to 9.09% (approximately twice the 2009-10 divisible pool transfers). Moreover, Federal Government has promised to cover any short fall for Baluchistan due to lower federal revenues.

iii) Fiscal Reforms
Federalism has two prominent operative parts the one is politics and the second is economic. Analytically speaking, provinces praise political spaces set for them by 18th amendment but criticize federal government’s unwillingness to allocation of resources. Nearly all federating units preserved that 7th NFC preceded by 18th Amendment had diminutive economic spaces as federal government shifted liabilities to provinces without consistent resource structure capital. Another aspect of 18th amendment is that provinces under article 167 (4) can take domestic or international loans. For this provincial consolidation fund serves security for loans. A task was assigned to NEC that this institution had to prepare framework for the provincial loans but unfortunately NEC remained unsuccessful in this regard.

Similarly provinces have been granted joint ownership on equal basis for resource distribution (Article 172). For this provinces must develop control and management system to deal with resources devolved under 18th amendment. Provinces, however, empowered with an opportunity to start their own projects.

For this Khyber-Pakhtunkhwa had 145 projects amounting to Rs. 7914 billion. But only 31 projects can be started amounting to Rs 1490 billion. Twenty projects were to be started with the support of CCI. But CCI could not extend support for these projects. HEC was also devolved to provinces but in June 2010 CCI decided that HEC will work with federal government along with other vertical projects till 2014 (Dr. Leslie Seidle and Zafrullab Khan, 2012). The aforementioned discussion depicts that though provinces have offered new opportunities but only new vision with enhanced capacity building can work
for provinces to get fruits of 18th amendment. In this way provinces can achieve maximum provincial autonomy.

5.4 18th AMENDMENT AND PROVINCIAL AUTONOMY: POLITICAL AND ECONOMIC OUTLOOKS AND PROSPECTS

The eighteenth amendment has evolved fiscal decentralization mechanism in order to arrive at maximum level of provincial autonomy; a demand since the creation of Pakistan. Originally the fiscal decentralization involves shifting necessary responsibilities for revenue and expenditure to lower levels of governments. One important factor is devolution degree to which sub-national entities are given autonomy for expenditures. The second factor is about provincial ability of raising revenue to meet expenditures. This ability of raising the revenue truly outlines values of practice and highlights how province will contribute to the overall revenue and expenditure of federation (The World Bank, 2001).

5.4.1 Outlooks of 18th Amendments: Consensus and Responses

The Charter of Democracy provided the work-plan for the Special Parliamentary Committee for Constitutional Reform (SPCCR). The two mainstream parties - PPP and PML-N - along with other parties signed the Charter in London in May 2006. The Charter demanded among other things: end to presidential powers of dissolution of the National
Assembly and appointment of governors, armed services chiefs and the Chief Justice; abolishing the concurrent list: issuing a new NFC award and provincial assembly.

i) Accommodation towards Political Responses: Appraisal and Criticism on amendment through consensus

Two important aspects about the 18th amendment bill before it become the law were; The structure of judicial commission (JC) and renaming of NWFP both were rejected by Nawaz Sharif as PML leader. Parliamentary committee had accommodated these reservations in a way that forth judge was included in JC nominated by the chief justice and secondly Khyber Pakhtunkhwa was added while renaming of NWFP. It is worth mentioning here that these two demands were basically coming from the provincial front and 18th amendment was actually to give provincial autonomy to provinces. Therefore these two demands were accommodated in-order to maintain the spirit of the amendment. Further this amendment brought about another significant change that it opened the window for creation of new provinces. Therefore leadership of many political parties kept on demanding for creation of new provinces like four in Punjab, two in KPK, two in Sindh and three in Balochistan. Political leadership mainly was in the favor of administrative division but not the division linguistic basis. However PM Gilani was very much interested in creating the Saraiki Province comprising the areas of South Punjab, but it was difficult to foresee the fallouts of this move that’s why Zardari kept him on wait and see policy. In many countries language is used to federalize the state to be more integrated and developed
like India, but in Pakistan language could not serve as an appliance for process of federalization (Bhattacharyya, 2004).

However political responses were accommodated by the federal government at large to take on board all the political parties. The acceptance and accommodation of proposals coming from the provincial leadership actually showed the seriousness of federation to extend autonomous status to the provinces, that provinces acknowledged. The accommodation of provincial concerns however not only built the trust of federating units over federation but also increased the political and economic status of provinces.

The critics of this amendment are of the view that if the amendment is outcome of political consensus then why charter of democracy has been failed under the mechanism of this amendment because following mandatory issues under COD are not addressed by the 18th amendment:

i) No provision for federal constitutional court is given

ii) FATA cannot be merges in K.P.K

iii) No accountability commission can replace NAB

iv) No mechanism has been developed for the accountability of agencies

Further some political experts are of the view that there is still a question mark on the independent role of election commission, judiciary and NAB. A step further, local government system has not been empowered. All these points were also the part of COD but could not become the part of 18th amendment. The Sindh province is also criticizing
the amendment on the issue of provincial autonomy, though PPP had initiated this amendment. This criticism focuses on:

i) Senate has provincial representation but not been empowered, this violated provincial autonomy

ii) In NEC prime minister as chairman of this institution has empowered to nominate four members, this has increased the federal imposition over provinces with majority federal members. If NEC was created to extend provincial autonomy then provincial representation would have more than the federation.

iii) However being the province with largest minority representation, Sindh also criticized the continuation of article 62 for the contestant of electoral process.

Political scientists also develop criticism over the 18th amendment in respect of provincial autonomy and are of the view that this amendment has basically defused the demand of provincial autonomy. It could not extend the provinces an autonomous status but just confused that they are autonomous. This confusion has been strengthened because provinces have been devolved responsibilities but not the corresponding assets (DAWN, 2015).

However provinces are happy on the other hand that 18th amendment has at least opened the discussion over passive issues of provincial autonomy and decentralization. This is a continual process indeed therefore will take time to be completed.
ii) **Administrative Response**

The administrative responses can be categorized into two types; one federal administrative response and the other is provincial administrative response. Where the federal administration is taking 18th amendment a development, some circles are afraid of losing administrative powers as well. The federal administration perceives 18th amendment as deprivation of federal administrative authorities due to devolution of ministries and abolition of concurrent list. But a major segment of federal administration is in the favor of 18th amendment and provincial autonomy though devolution process. Thus federal administration is cooperating to the administration of provinces.

On the provincial end administration are afraid of two things; one is about the capacity, skill and training of provincial administration in-order to carry out with the changes of 18th amendment. The second is handling of targets and goals on global agenda for instance, management of environmental issues etc. Administration of provinces has reservations over the transferring of administrative liabilities about the service rules, employee’s funds and welfare projects without the transferring of corresponding resources (dawn, 22 June 2010).

For implementation the devolution plan for provincial autonomy the deadline was fixed as June 30, 2011. The SPCCR and implementation commission comprised of nine members were assigned this assignment of implementation with true spirit. But unfortunately still the provinces facing challenges and striving towards their poitical and economic autonomous status because changes under 18th amendment for devolution of
powers and resources from federation to provinces have not been implemented even the deadline has expired. Federal administration is blaming that administration of provinces is not capable and well equipped whereas provinces see the federation administration a major hurdle in the way.

iii) **Legal and Judicial Response**

The article 175 suggests the composition of judicial commission in which judges as judicial experts would investigate the matter for which judicial commission is constituted. This has adopted basically to have free and fair investigation and to have judicial autonomy. Because now provinces can form judicial commission comprised of provincial judiciary. In this was provinces are feeling a sense of legal and judicial autonomy because federal government would have less intervention in this regard.

But on the other hand provinces are afraid of losing their judicial autonomy because parliamentary committee has parallel powers to nominate the judges. In-order to create balance and to address reservations of provinces representation of opposition and government both are ensured in eight-member parliamentary committee for this purpose. This committee will also forward nominations to the chief justice for the appointment of judges. Therefore many lawyers and jurists were uncomfortable over it because by this way federal government limits the powers of chief justice of supreme and high courts. Provinces particularly perceived it as a threat to their judicial and legal autonomous status. In this connection sixteen petitions had been filed against this particular clause of the amendment.
The Supreme Court produced remarks of provincial governments on filed petitions. The KPK and Punjab had requested the court that these petitions must be dismissed. The hearing of these petitions brought son many dimensions of federal and provincial relations under discussion. But it polarized the legal opinion and situation between federal government and judiciary politicized by the filing of such petitions. Some experts were of the view that judicial powers of provincial and federal courts denied due to extreme powers in the hand of legislature. Thus this started a new debate within the provincial institutions particularly provincial legislatures and judiciary which affected the course of provincial autonomy in Pakistan. This started a new debate that whether legislature is the creation of constitution or constitution is the creation of legislature (Sial & Basit, 2010).

It is the matter of fact that where 18th amendment has opened new judicial room for the provinces, at the same time left with so many improvement rooms. If these shortcomings or improvement rooms left unattended it would create a huge gap between the federal and provincial judicial institutions. It can may put the decisions of both the courts contrasting to each other. Since through consensus 18th amendment has been passed even the federalism in Pakistan is facing many challenges due to the existing bitter working relations between federation and provinces on judicial front. Because federal government still trying to control over the provincial pursuits by intervening their legal and judicial domain. The federalism being symbol of shared sovereignty remains somewhat elusive in Pakistan. Pakistan is gradually moving towards relative liberalization of principles of coordination and cooperation among and between provinces and the Center.
5.4.2 Post Amendment Fiscal Devolution Mechanism and Prospects for Provinces

The 18 Amendment has delivered the provinces in five new windows of opportunities to develop their monetary efforts. These fiscal windows are about duties, capital gain, state lotteries and sales tax on services. Before 18th amendment provinces were profoundly trusting on federal government for fiscal prerequisites but now after 18th amendment provinces are empowered to raise own income in at least five windows.

The name of NWFP has been altered as Khyber Pakhtunkhwa under Article1 of the constitution. Article 142 included which provided opportunity of joint share to the provinces as well. Article 101 has been amended that increased the prospects for provinces because now the governor must be the voter of respective province. Further the provincial assemblies have been given legislative autonomy as well under article 142.

However following points are vital to discuss while discussing the post amendment: Some entries are deleted from FLL part-I. These are now the part of residuary items and thus automatically shifted to provinces. Some of the entries are shifted from FLF part-I to FLL part-II. 2. These entries are now not only the property of federal government but under the joint ownership of federal government and provinces. These shared functions will be under supervision of council of common interest. The Concurrent list perished away and the entries now transferred to the provinces. Certain significant admissions to Provinces are going to have substantial economic impact over provincial autonomy. The CCI under article 153 and NEC under article 156 are strengthened under the framework of 18th amendment. The procedure of working of these two institutions has been revitalized. These
institutions were inactive part of the constitution in-fact before 18\textsuperscript{th} amendment and the provinces particularly smaller ones were continuously demanding the effective function of 
CCI and NEC in-order to have more provincial autonomy.

The revitalization of these institutions actually has given the new dimension to the federal and provinces working relations towards achieving the provincial autonomy. The restructuring of CCI indeed is a step towards greater provincial autonomy and greater provincial share in the resource distribution. This change has helped the federalism in resolving the disputes under the supervision of federation. This again has become a tool towards the conflict management. In Para 21 of the 18\textsuperscript{th} amendment it is clearly stated that this institution is to provide the collective leadership to further get strong federation by extending political and economic autonomy to provinces. In-order to make CCI an effective dispute resolving institution it is bound to submit its report to the parliament annually under the article 153 (4). Further to address the provincial issues CCI under article 154 (1) is authorized to formulate and regulate policies for FLL-II. It supervises and controls institutions in this regard as well. Article 154 (2) suggests that after the oath of Prime Minister the CCI will be constituted within thirty days. This council must have permanent secretariat under article 154 (3). The CCI must meet one time in ninety days as per constitution altered under 18\textsuperscript{th} amendment. Though prime minister is the chairman of CCI and he is to nominate three more members from federal government. But the provincial representation through chief ministers extends autonomy to the provinces.
However, the disputed issues stand resolve by the majority of opinion under article 154 (4). In Pakistan the water and power has been the base of conflict between federation and provinces and also among the provinces since long. After 18th amendment the CCI has been declared the legal and legitimate forum to settle this dispute. Under article 157 (3) provinces may also call the meeting of CCI, now it is not the exclusive right of federal government. This extends more autonomy to the provinces. The national economic commission (NEC) has also been restructures in terms of size, procedure and functions under article 156. The chief ministers of provinces are also the member of this body. In this way provinces are given the stake in national planning and development—the primary responsibility of NEC. Further chief ministers are empowered to nominate one more member with them for NEC. It is vital to mention that NEC has extended more autonomy towards provinces because the federal representation including prime minister in this body is restricted to five but the provinces have eight members. It ultimately accommodates more say of the provinces.

The functions of NEC have also been revised to extend more provincial autonomy to provinces. Its functions after 18th amendment include review of entire economy of federation and provinces to advise the respective governments. It plans the social and economic policies to have better outcomes of financial design more development and provincial autonomy oriented. The provinces are more autonomous now because NEC has given mandate to look after the regional development on equitable grounds under article 156 (2). NEC is guided by the constitution under chapter 2, part-II. The article 156 (4) binds NEC to meet at least two times in a year. In this way provinces get more opportunity
to raise their voice through NEC twice in a year. NEC submits report on annual basis to the parliament. National financial commission has also been revitalized under 18th amendment. The article 160 (3) suggests that the share in resources of divisible pool under NFC award for provinces will not be less than the previous share. This offers economy autonomy to provinces.

The article 160 (3) fix responsibility of finance ministers of federal and provincial governments to supervise and then report to the respective legislature. An important change after 18th amendment is about the revenue in terms of federal excise duty over gas and oil wellheads. The article 161 (a) on gas and 161 (b) on oil directs federal government that the collected duty on such wellheads will be transfer to the respective province. This has addressed the demand of Sindh province at large. Further federal excise duty is now not the part of federal consolidated fund.

The important prospect for provinces under 18th amendment is about the empowerment of provincial government to raise international loans. This is expected that through international loans the provinces will launch more development projects. The provinces under article 167 (4) may also raise internal and domestic loans on the guarantee of provincial consolidated fund. The limits for loans under the guarantee of PCF the NEC will specify it. Significant alterations which carry further assets to Provinces have been prepared in article 172. Under article 172 (2) ocean is territorial waters of Pakistan and will be owned by the Provinces instead of Federal Government. Likewise with addition of fresh clause (3) in Article 172 provinces got more autonomy for the joint ownership of resource
with federal government. In-order to manage the hurdles in the way of implementation of 18th amendment and empowerment of provinces under article 270AA (8), the cutoff date has been fixed as June 13, 201. A parliamentary committee and an implementation commission have been constituted to monitor all the process of devolution. Though the cutoff date has passed and yet major work in this regard has to be done but it gives satisfaction to the provinces that now at least federation is on right track towards the political and economic autonomy of provinces through devolution process.

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Chapter-6

Evolved and Required Power Sharing Mechanism for Provincial Autonomy in Pakistan: Post Amendment New Institutional Spaces, and Political and Economic Problems
The provincial governments of Sindh, Khyber-Pakhtunkhwa (KPK) and Balochistan are registering complaints that liabilities have been transferred to the provinces in the result of eighteenth amendment but assets are still on the disposal of federal government. This situation is not only obstructing the execution of responsibilities for provincial governments but indicates a feeble devolution mechanism for provincial autonomy.

In this background the sixth chapter encompasses problems of post amendment evolved devolution mechanism for political and economic power sharing between federation and provinces. It further proposes the required model of devolution mechanism for political and economic power sharing with provinces for remedies of problems in-order to reach the uncompromised level of provincial autonomy in Pakistan. This chapter highlights post eighteenth amendment political and economic Issues, legislative crevices, challenges and solutions for provinces to achieve maximum level of provincial autonomy under progressive federalism. It espouses the promises, powers and practices under the 18th Amendment Act 2010. It analyzes those constitutional provisions which are creating demand for consociational regimes to protect the political and economic rights of provinces. This is a time when the neglected provincial sentiments shall be accommodated by adopting a better approach getting the federation more strengthened in Pakistan.

6.1 NEW INSTITUTIONAL SPACES AND PROVINCIAL AUTONOMY UNDER FEDERALISM
The 18th amendment has given the provinces new powers through institutions to manage their fiscal matters in-order to reach set targets for development. The fiscal issues of the provinces have largely been addressed under 18th amendment by GST agreement. On one hand this created new institutional spaces for provinces but on the other hand it bred some political and economic problems for federal and provincial governments as well (Ahmed, 2015).

The political leadership and administration of provinces require innovative kind of attitude, communication system and relevant expertise to comprehend and internalize changes came up with 18th amendment. It is equally imperative to vanguard interests of provinces under newly created institutional spaces in the shape of institution like CCI and NEC (Dr. Leslie Seidle and Zafrullah Khan, 2012).

The Constitution of 1973 created the Council of Common Interests (CCI) to conform to the spirit of federalism. Composition of the CCI had been and till today have an equal representation of the federal and four provinces. In 1973 the creation of the Council was a progressive leap forward along with establishment of territorial chamber, the Senate of Pakistan. The Constitution of 1973 also retained two other forums namely; National Economic Council (NEC) and National Finance Commission (NFC) to promote the spirit of federalism in Pakistan besides fair distribution of resources and efforts for equitable development in the country. But unfortunately these forums were not strengthened with appropriate structure, power and authority before 18th amendment. The 18th amendment has laid a special focus on reforming and strengthening these forums, For
instance 7th NFC Award; though could not achieve the set objectives but was a good effort to give provinces economic autonomy.

Further the 18th amendment has reformed and restructured various constitutional forums of federal-provincial interaction as well and has introduced mechanisms of shared decision making to promote participatory federalism. Reorganization of Council of Common Interests (CCI) and National Economic Council (NEC) with expanded mandate will have impact on the nature of inter-governmental relations in Pakistani federation. Pakistan has an Inter-Provincial Coordination Council since 1970s but it has given the status of Ministry after 18th amendment (Daily Express, July Il, 2015).

6.2 POLITICAL AND ECONOMIC PROBLEMS

The aforementioned facts about opportunities and challenges for fiscal policy choices after 18th amendment at provincial level are focused in this chapter because where provinces got opportunities due to 8th amendment there are some considerable problems as well facing by the provinces, given as under:

i) Liabilities Transferred without Corresponding Resources and Assets

Under principle federalism suggests that it has wings; political and economic. Provinces pay tribute to the political space given to them by federation thru the IW’ modification however criticize about the federal government’s reluctance to transfer finance in- terms of appropriate assets. The provinces had very little economic space
because the federal government transferred liabilities without corresponding resources and property switch.

**ii) Informal working of Council of Common Interest (CCI): Complex and frail mechanism for federal-provincial joint ownership and completion of projects**

Similarly the provinces have been given joint and equal possession in herbal resources beneath Article 172. But the mechanism which has been evolved for provincial joint and identical possession with federal government in natural sources could be very complicated and frail. Consequently the present law in this context wishes to be revisited to make certain the role of provinces on top of things and management of natural resources. No sensible step has been taken on this regard.

The federal government has not been devolving assets and liabilities under clear mechanism for the completion of projects in the provinces that would have to be supported by the federal government. This problem kept Khyber-Pakhtunkhwa and Baluchistan clogged to start any initiative for such projects by the end of 2013. The federal government is getting advantage of frail fiscal devolution mechanism evolved after 12th constitutional amendment (Mohsin, 2012). Khyber-Pakhtunkhwa planned one hundred and forty-five projects amounting to Rs. 7914 billion, but only 31 projects can be started amounting to Rs 1490 billion. This can be emerged as a big conflicting issue between federal government and Sindh province in future.

**iii) Slackness of National Economic Council (NEC)**
Further under Article 167 (4) provinces can negotiate a domestic or an international loan for which the Provincial Consolidated Fund can serve as security. National Economic Council (NEC) was supposed to prepare new framework but after the passage of five years nothing has happened in tangible terms. It is a lapse on the part of the federal government and the NEC (B. News, 2016).

da) 8th NFC Award: Provinces Demand More Tax Revenue from Centre

iv) National Finance Commission (NFC) under Complex Fiscal Design

The primary responsibility of NFC is to distribute resources among the provinces and federal government under prescribed formula. The federating units used to obtain funding through NFC Award according to the federal lists. However the provinces had reservations since long over the formula of NFC for distribution of resources and the complex fiscal complex design under multiple authorities for revenue, expenditures and tax collection. The provinces were facing problem due to transfer of insufficient resources to them from federal government. This created imbalance between the powers of federal and provincial governments over share of resources. Another important factor is provincial disinterest and unwillingness towards the collection of tax because four provinces were collecting 8 percent of the tax but their expenditure remained 28% of the total expenditure. Due to this imbalance provinces had to depend mostly on the transfers of federal government. But the issue has largely been addressed by the 18th amendment and the new institutional arrangements have been made under 7th NFC Award. But still the 8th NFC Award is pending due to federal and provinces rift on mainly resource distribution formula (Pakistan Today, 2016).
The negotiations for the 8th National Finance Commission Award have failed and Islamabad and the four provinces unable to come to an agreement on whether to extend the current NFC Award or not. There was also discussion on whether or not the commission should try to finalize the award within the next two months, when the current award expires on June 30. Kaiser Bengali, technical advisor to the Baluchistan delegation, felt that the negotiations would take more time. Federal Finance Secretary WaqarMasood said that the President has the constitutional power to extend the current award if there is no agreement in time for the fiscal 2016 budget. Islamabad is in favor of preparing the next budget by extending the current award. However, Sindh is staunchly opposed to extending the current award and wants negotiations finalized within the next few weeks (Rana, 2015).

Now the 7th NFC award has already been expired and the 8th award is due but no consensus has been reached to an agreement. The core reason of the disagreement between the federal and provincial governments is whether the dramatic increase in hands made available to the provinces in the 7th NFC award was in anticipation of their increased legislative and executive responsibilities that were granted to them through the 18th Amendment to the Constitution. The 7th NFC award was agreed to in December 2009, but the amendment did not pass Parliament until April 2010. The provinces contend that the federal government owes them more money in the 8th NFC award because they were given more responsibilities after the last award. The center argues that the last award was increased in anticipation of the new autonomy granted to the provinces by the 18th Amendment and that if they want more money from the federal government, they will have to share additional responsibilities with the federal government, specifically in the areas of
counter-terrorism, natural disaster management, and aid to special regions in the country. The Baluchistan had flatly opposed that proposal (Shaikh, 2015).

As the least dense province in the country, Baluchistan wants the share based on inverse population to increase. Bengali, however, said that the delay in conducting the supposedly decennial census should not delay the finalization of the award. The last population census was conducted in 1998.

Khyber Pakhtunkhwa demanded that its share in the divisible pool to compensate for losses on account of the war against the Taliban should be enhanced from 1% of the total pool to 3%. KPK Finance Minister Saeed Muzaffar said that his province was bearing a huge burden of Internally Displaced Persons and Afghan refugees and need additional resources to reconstruct infrastructure damaged by the war. Muzaffar demanded that the KPK should be given RU 19 billion unspent on account of water resources. The Commission agreed to undertake detailed background work to bring all the parties on the same page,

The four studies would be undertaken: one on resource mobilization at the federal and provincial levels, another on devolved versus integrated tax structure; evolution of tax collection framework in Pakistan, another on allocation efficiency and expenditures analysis at the federal and provincial level and one on rationalization of subsidies and grants. Somewhat unusually for the largest province Punjab, it was in the favor of enhancing provincial shares in federal taxes. Lahore typically tends to side with the federal government on many issues. The federal government also underlined the need to have an
integrated sales tax collection as GST on services; collection by the provinces was creating problems (Pasha, 2012).

iv) **Responsibility for International Reporting**

Pakistan is obliged to comply and report on core international covenants, conventions and commitment and representation at international forums. The Amendment raised many concerns in this regard because on one hand, subsequent to 18th amendment 17 federal ministries have been devolved to provinces. But on the other hand the amendment added a new entry 32 in the Federal Legislative List that makes international treaties, conventions, agreements and international arbitration exclusively a federal subject. In this background there is a need for inter-provincial cooperation and coordination for some minimum benchmarks or standards and the entry 13 of Federal Legislative list-TI must be creatively invoked via Council of Common Interests.

v) **Voluntarily Entrust of Provinces over Federation The Case of Sindh Operation by Rangers**

The constitution also offers mechanisms in Article 144, 146 and 147 where provinces can voluntarily entrust sonic functions to the federation and vice versa. Provincial consensus on creating Drugs Regulatory Authority in the federal government is good example of such cooperation. But the power clash between federation and Sindh province over the extension of powers of Rangers (security force) in operation launched
by federal government against terrorists and their facilitators for interior Sindh along with Karachi city under the Article 147 is an unpleasant experience regarding this.

vi) **Devolution of Political and Financial Resources from provinces to Local Governments: Trivial attitude of Provincial Governments**

After 18th amendment it was obligatory for provinces to empower local governments through meaningful legislation in order to complete the devolution process. Subsequent to 18th amendment the local governments were to be empowered in-terms of political and economic autonomy. But except KPK government, provinces are seriously taken steps to even establish the local government system.

The problems in the way of Provincial autonomy indicate that most of the clauses of the 18th Amendment have reformed the hardware of Pakistani statecraft. Five years after the adoption of the 18 Amendment and four years after the transfer of subjects and ministries to provinces there is no serious effort to move towards the idea of devolution. But none of the provincial or the federal government has even highlighted the flaws officially and on any formal platform. Consequently, effective communication channels among various ministries and the political leadership are still missing.

**6.3 REQUIRED POWER SHARING MECHANISM: REMEDIES OF ECONOMIC AND POLITICAL PROBLEMS**

The center should only keep the areas of foreign policy, international trade, defense and currency with it while all the remaining areas should be handed over to the provinces.
The National Finance Commission (NFC) should be activated to play a just role. The eighty per cent of the federal divisible pool should be distributed to the provinces not only according to their population but economic, political, social, cultural craft and the strategic depth of a province should remain within the criteria of NFC Award. Further, unanimous resolutions of the provincial assemblies should be acted regarding NFC.

The role of Military into political affairs must be revisited and redefined under constitutional provisions and constitutional amendments should be brought about where it is necessary. The Judiciary should carry out its role independently and objectively. The meetings of CCI must be held as per schedule to resolve the issues between federation provinces regarding joint ownership. The 8th NFC Award should take place immediately that has been delayed for one year. Local Government should be placed outside schedule 6 of the constitution. The rule of political acceptance must be adopted instead of political tolerance. There should be democracy within political parties. Family-based politics should be abolished. The Constitution of 1973 should be revived, as discussed earlier that the constitution is so ambiguous that it is ever ready to allow to be interpreted by federation and provinces separately to cash their own interests. The center should not interfere into province through declaring the emergency. Emergency should only be declared if the simple majority of the provincial assemblies allow that. Governor should have the right to abolish provincial government not provincial assemblies. The Centre should not post federal employees into provincial departments. WAPDA should pay a share of surcharge to NWFP.
This is time now to develop agreement between different views of federal and provincial governments for NFC award. The federal government already was of the view that 7th NFC award will be continued for the one year more after its expiration on June 30, 2015. Consequently the 8th amendment is still pending. This is creating economic frustration among the provinces because the provinces were supposed to have more shares in 8th NFC award but still it is pending. This situation neglected the economic status of provinces.

Apparently 8th NFC has been delayed because of the non-agreement between federation and provinces. Provinces are blaming the non-serious attitude of federal government in this regard. But federal government is of the view that provinces are responsible for this delay. Federal government blames the provincial incompatibility to the devolved mechanism under 18th amendment. The provinces remained failed to generate revenue mandatory for them. That’s why according to federal government provincial inflexible, incompetent and conflicting attitude are translated to non-agreement among provinces over formula of NFC award. In this way provinces are responsible for the delay of 8th NFC award.

But provinces argue that it was the responsibility of federal government to help the provinces in for capacity building and training of the provincial staff. Further the federal government is still intervening in to the provincial subjects under joint ownership. Provinces claimed that federation has devolved the responsibilities but corresponding resources have not been given to the provinces. This deficiency is the main hurdle in the way of revenue collection through taxes.
According to provinces the core issue in delay of 8th NFC award is lack of political will at the part of the federal administration. The federal government is responsible to take appropriate measures to organize NFC award by addressing the issues raised by provinces. It is the primary responsibility of federation to uplift the standard of people of Pakistan only through empowering the provinces.

As for the remedies for the aforementioned gaps in mechanism are concerned, both federal and provincial governments and leadership must take effective measures in the following directions:

The federal government must devolve all the resources committed in the 18th amendment to provinces so that they can meet their resource related needs in-order to implement newly framed mechanism for provincial autonomy. Further federal government must take solid steps to build the capacity of provinces in-order to synchronize new spaces created for provinces after 18th amendment. For this federal government must organize training programs and workshops for the administrative and political office bearers. The federal government must manage to arrange timely meetings of council of common interest. The structure of national economic commission must be revised and the powers of prime minister to nominate members of NEC is not equitable, federal government must revisit this provision in-order to accommodate more provincial say within the state structure. The 8th NFC must be arranges earliest because the 7th NFC has been expired in 2015. This will ensure the economic autonomy of provinces.

On the part of provincial government, provinces must take serious measures to enhance revenue through taxed and non-taxed means. In this way the federation-provinces
trust deficit will be managed. The increased revenue will ultimately extend more economic autonomy to provinces. Provinces must upgrade information and tax system in-order to include more people in tax net. This will decrease the tax value but increase collection of tax. Further provincial governments must restore the local bodies or district government system as earliest as possible in-order to share responsibilities at root level. Provinces must not look every step of federal government as the intervention. The provinces must help federal government to resolve inter-provinces conflict over resource distribution criteria and the water dispute, so that the 8th NFC award can be setup.

However, there some political and economic spaces have been shaped by reinforced political and economic provincial autonomy for the federal government to coordinate in-order to assume responsibility in the areas of common chases of provincial territories, which cannot be dispensed individually. It can be in the field of common policymaking or coordinating bodies, standardization and pricing of products or foreign trade.

For diverse motives both federal and provincial governments have not been stuck to originally designed scheme of devolution for provincial autonomy. The pledges made by federal and provincial governments under 7th NFC award have not been fulfilled with letter and spirit by both of the governments. The federal government has been encouraging the provinces to increase their revenue to produce surplus budget. This will not only help to overcome the provincial debt but also would help the federal government to minimize it economic debt. This reduction has already been agreed by the federal government to the IMF. But it is unfortunate that always federal government promised more to the provinces but transfer less funds and resources. This creates gap between the set and achieved
economic targets of provinces. While there is a gap as well between projected and real payment of funds kept for development, the targeted budget surpluses of the provinces influence unfavorably on public expenditures for socioeconomic uplift of people of provinces (Daily Express, 2015).

On one side provincial governments even after the 18th amendment have not been very much successful to meritoriously tax the farm revenues for which there is huge prospective for incensement of provincial and ultimately national income. Further the federal and provincial political leadership remained unsuccessful to take meaningful steps to empower the citizens through implementation of local government system. The district government is an important component of provincial autonomy. This is a serious criticism over the provincial government that it was the responsibility of provincial governments after 18th amendment to hold elections and then empower the district governments but the provinces made unnecessary delay in elections and then transfer of powers to the district governments. This situation worsened the socio-economic conditions of the people because first federal and then provincial governments have denied the basic right of district government to levy local tax in-order to start projects of welfare for the citizens.

Another focused point is that property tax is now being collected by provincial governments. This issue is closely linked with the development of the people and provincial autonomy. The core issue in the 18th award is to incorporate measures that would make devolution more meaningful in raising the living standards of the common citizen, something which can be achieved only by empowering people at the grass-root level to enable them to fend for themselves. This requires representative local governments
and empowered communities. The Cantonment Board and Baluchistan district government polls have been held which followed by elections in Punjab, Sindh and KPK. The local government elections have been over but it for one year that the powers have not been transferred to district or local governments. It is time that the third tier of the federation is also entrusted with more authority and responsibility to managing more effectively socioeconomic development at the grassroots (DAWN, 2015).

The devolution process must be continued uninterruptedly in-order to reach fiscal and provincial autonomy. Any step backward from federal government or provinces will prove harmful for the national integrity and will pose challenges to the federation provinces harmonious working relations.

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Chapter-7

CONCLUSION

The idea of federal system in fact was short of true spirit of federalism in Pakistan, therefore it was skewed to a robust unitary style of arrangement and then failed to grip together the units of federation. Since the beginning, federal system in Pakistan had been working in an undemocratic mode in which not only the ruling of majority was dishonored
but the provinces were deprived of political and economic autonomy even after implementation of the constitution of Pakistan 1973.

Indeed the motivation behind framing the Constitution of Pakistan 1973, after disintegration of Pakistan, was granting the uncompromised level of political and economic autonomy to provinces. But, provinces are still striving for their political and economic rights in Pakistan even after 8th constitutional amendment to the Constitution of Pakistan 1973. Federal government has not been remarkably and successful coming-up with the political will to address the political and economic grievances of federating units. The federal government, through a clandestine ‘Muree Agreement signed on June 4 2013’, interceded into the formation of Baluchistan government after the general elections of 2013 due to which Chief Minister Dr. Abdul Malik has to resign in December 2015 Chief Minister of province Khyber Pakhtunkhwa (KPK) Pervez Khatak claimed in August 2016 about the electricity stealing of federal government from the provincial share around 600MW daily. CM KPK warned the federal government to resolve this issue otherwise provincial government will decide to agitate against this stealing of federal government.

Sindh province has severe reservations with federal government over extension of powers of Rangers in Karachi operation under Article 147 of the constitution. The Punjab being the major utility bills and tax payer province has been raising slogan that it has sacrificed its share to save federation. Thus no province show trust over the policies of federal government even after 70 years.

There are few reasons of this mistrust between federal government and provinces. The one is lack of political will on the part of federal and provincial leadership. The second
is ambiguity of the constitutional provisions, which makes it so flexible that federation and provinces interpret constitution for own favor. The third is regional and international political environment and agenda that demand strong federal government in Pakistan. The fourth is excessive and frequent role of Military leadership into political affairs. The fifth is ineffectiveness of institutions like Council of Common Interests (CCI), National Finance Commission (NEC), National Economic Commission (NEC), Coordination Ministry and Election Commission of Pakistan. The sixth is failure of provincial governments regarding collection of taxes. The seventh is biased voting behavior of general public, where an individual does not cast a vote for the sake of national interest but on the basis of ‘Brotherism’ (inclination of relatives) or limited personal interests or without vision. This brings political corrupt, tyrant or quixotic people in federal and provincial governments.

The eighth is lack of professional training of Parliamentarians, Ministers and Bureaucracy. The ninth is highly centralized structure of political parties, where forming of an independent opinion conflicting to core or central leadership is barred for voters and even second tier leadership. Tenth is pertaining to the constitutional amendments to favor egocentricity of reigning class, i.e. constitutional amendment regarding the prequalification of candidates for Federal Parliament and Provincial Assemblies. The eleventh is the polarity voting system practiced in Pakistan rather than the majority voting system. The twelfth is the transferring of liabilities to provinces after 18th amendment without transferring corresponding assets and resources. If federal government remains

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2 In elections, a majority happens when more than half of the electorate votes for one candidate. For example, if a candidate gets 50.1% of the vote, she gets a majority. A plurality happens when less than half vote for a candidate that wins because the vote is split among more than two candidates.
unsuccessful in transferring corresponding resources along with liabilities to provinces as promised in 8th amendment, it will bounce back in the shape of sever federation-provinces conflict over gas, electricity, water and deputation of federal forces in provincial territories to handle security related issues. In-order to address aforementioned issues the federal government must take the provincial representative house, Senate, on board. If federal government fails to give due importance to the Senate, in future this provincial representative house may question the legitimacy of the federal government.

While analyzing the federalism and provincial autonomy, a very important component found that federal government has been violating the electoral autonomy of provinces in Pakistan. Therefore federally centralized electoral politics had also been affecting provincial autonomy in Pakistan. Democracy is the most suitable form of government, evolved so for, in-order to resolve socio-economic and political problems of man in this world. It is obvious that process of ‘free and fair’ consecutive elections is the essence of democracy. But in-order to ensure this essence of democracy, electoral reform package3 is inevitable because it is the soul of free and fair elections.

It has observed that sometimes in the absence of appropriate electoral reforms free and fair elections cannot attain virtues of democracy. For instance, researcher is from such democratic federation where only once in the history of 70 years free and fair general elections are held. And surprisingly when in 1970 Pakistan’s first general elections were held free and fair, it went disintegrated in 1971 because without having been appropriate

3 Reform Package covers both legislation and necessary implementation steps and actions
electoral reforms only free and fair elections cannot give desired results, but increase social inequality and injustice that further turns into politically unpleasant results. Without electoral reforms distribution of political power cannot be justified and in the result of partial distribution of political power social inequality and injustice stimulates. Exactly this was the case with Pakistani federation in 1971 when; due to disputed power sharing formula, its Eastern part with majority population became Bangladesh. This dispute in distribution of power sharing formula was emerged because there were no electoral reforms before the conduct of elections. Consequently consequences managing device was absent and a federation was disintegrated into Pakistan and Bangladesh. Accordingly, an appropriate electoral reform package is the essence of democracy. The electoral reforms consistent with the irresistible socio-political and economic trends of modernization ultimately guarantee uncompromised level of social equality and justice. The recent protests over US presidential elections and continuous struggle for electoral reforms in Canada show that the question over elections to be free and fair is raised even in the developed democracies like America, Australia and Canada.

This indicates that still in the 21st century the conduction of free and fair elections is a problem for the democracies of the egalitarian world. It is significant to understand that, elections are questioned when the electoral procedural gaps are present. These gaps indicate that electoral reforms are absent. Therefore it is assumes that, consistent and

4 Consistent denotes that the reforms must be according to the changing socio-economic and political conditions and demands of the society
appropriate electoral reforms lower the electoral problems and adverse consequences for federal provinces working relations; hence it increases the autonomous status of provinces. The post 2013 elections period almost all the provinces have been protesting the steering of elections through pre and post poll rigging in Pakistan and stressed on electoral reforms. Now that in 2018 again Pakistan will go through general elections therefore it is very important to have proper electoral reforms on time to have timely elections. The lack of consensus in-terms of electoral reforms may not only turn into delay of 2018 elections but also it will badly effect the provincial autonomy and federation-provinces relations. These reforms vary over time and space but the most common areas to design a reform package for democracies like Pakistan in-order to ensure electoral autonomy (political autonomy) of provinces are as under:

i) Limits and size of electoral Constituency

ii) Qualification of Candidates and electoral college

iii) Voting System: Majority or Plurality

iv) Voting Trends

v) Voting Turn-out

This research aims to study:

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\(^5\) Appropriate denotes that the reforms must cover ‘right legislation and implementation’ corresponding to respective condition and demand of the society
i) the impact of already made electoral reforms on governance in federations of Canada and Pakistan;

ii) and consequences of mandatory but missing electoral reforms (consequences of what was required but not done) for governance

This research is profound effort to analyze prospects and challenges coming from out of the implementation process under 18th amendment in Pakistan. This research enhances understanding of provincial autonomy and decentralization process prior and post 18th amendment. Thus, this research systematically studied federalism and provincial autonomy under an appropriate theoretical framework and research design to learn more about the impacts of the 18th constitutional amendment on federation-provinces political and economic relation. This research draws attention of Good Governance Working Group (GGWG) and Forum of Federations (FOF) to initiate assistance to Pakistan in technical and fiscal domains in-order to develop the coordination for cooperation between the governmental bodies at different level. The democracy as system alone seems to be inadequate to address the power disparities along federation-provinces axis which arise out of representative function of systems of governance but these are the federal and provincial institutions they can help the system to work in an appropriate way in-order to resolve political and economic conflicts. After 18th amendment the institutional role in Pakistan has been extended due to transition management process, Therefore it is suggested that, in-order to make the institutions and stakeholders learn the modem methodologies and strategies to address the challenges coming from decentralization and transition process. For this it is the responsibility of federal government to plan consultative sessions and
workshops to the stakeholders by taking help from GGW and FOF. This workshop will help the stake holder to:

1. Develop strategy and plan of action to operationalize changes in legislative domain in-terms of rules of business and financial devices. This will synchronize the new constitutional framework with devolution process.

2. Improve shortcomings and broken linkages flanked with political and administrative side. This will enhance the capacity of provincial standing committees to direct the administration in a better way and to oversight the implementation process.

3. Increase the efficient working of institution like CCI in policy making process and dispute resolving. This will help to come closer the federal and provincial leadership and administration through coordination in these workshops. This further will turn into perfect roles of federal and provincial assemblies towards respective legislation. In this way federal provincial cooperation, information sharing mechanism, and interprovincial coordination will be achieved by working together on the pursuits of common interest.

4. Identify requirements for development of institutions corresponding to the devolution process under 18^{th} amendment

5. Identify requirements for capacity building at provincial level in-order to plan the areas of training of administrative and political machinery. This will help them to understand the limits of their domain

6. develop proper mechanism in-order to value the public response with respect to the act Right to Information
It is further suggested that there is a strong need to introduce consociational mechanisms which guarantee consensus based and genuine consultative processes and wider representation of social sets so that traditional political conflicts and exclusions are decreased and fixed at local levels. It is also prerequisite to create further space for the common people of Baluchistan to become a vibrant part of mainstream political and economic development process. Because in Pakistan a sense is mounting that the stronger institutions of the state which do not have satisfactory representation from Baluchistan can violate laws with impunity. It is therefore recommended to federal government institutions particularly defense forces that the genuine concerns of the people of Balochistan must be given attention. For instance, Pakistan Navy has been alleged to occupy land in the districts of Turbat and Dasht in Makran division while violating the Land Acquisition Act, this issue should be resolved through appropriate compensation acts.

It is suggested that new provinces should be created on administrative basis. Following is the suggested model:

1 Bahawalpur Province: Bahawalpur Province will consist of the area included in the former state of Bahawalpur. It is an agricultural area, Cotton and wheat are crops from which revenue can be generated.

2. Lahore Province: Lahore Province will consist of the districts of Lahore, Kasur, Okara, Nankana Sahib, Gujranwala, Sialkot, Narowal, Faisalabad, Jhelum, Gujrat, Sargodha, Khushab and Jhang
3. **Multan Province**: Multan Province will consist of the districts of Multan, Lodhran, Khanewal, Sahiwal, Vehari, Pakpatari, Muzafargarh, D.G. Khan and Rajanpur.

4. **Balochistan Province**: Balochistan Province will consist of areas already included in the province because it is less populated area and there is no need to create a new province out of the existing province.

5. **Sindh**: Sindh is a province where there is no need for the creation of a new province within the boundaries of existing Sindh because the division of Sindh can cause ethnic conflict in rural as well as urban areas of Sindh.

6. **Khyber Pukhmoonkhawa Province**: Khyber Pukhmoonkhawa Province will include the area of existing Khyber Pukhmoonkhawa. There is no need to create a new province of Hazara on language basis.

7. **Gilgit-Baltistan**: GilgitBaltistan will consist of areas already included in the entity i.e., Gilgit Agency, the J3altistan, district of Ladakh, Wazarat and the states of Hunza and Nagar. The government has approved a self-governance reforms package for the region aimed at giving it full internal autonomy with the status of a province. It can be given the same slams as was J3aluchistan before 1970.

8. **FATA Province**: The way to create a new province of FATA is that they will be asked through Jirga whether they want a province or not. The creation of new federating units should be brought about only through constitutional engineering and not through any other mechanism.
It is suggested that Pakistan is very rich in regional languages and if the federation spares some constitutional room for this diversity, it can be proved a cultural asset to address the provincial frustration towards federation. The irresistibly intensified agents of internationalization and modernism are speedily putting the regional language capital behind. If Pakistan cannot place the regional languages on policy choices framework, it would miss not only its very rich cultural asset in the shape of regional languages but a bridge to fill the political and administrative gaps between federation and provinces. It is therefore recommended that federal government must change its language policy because these are the mother-tongs (regional languages) they provide the basis, skills and understanding spirit towards learning English, Urdu and Scientific Education to 90% of Pakistanis. Further regional languages are very helpful in establishing the consociational regime. The federation is strengthens when a sense of protection of rights, culture, language, and heritage is created in federating units.

On the socioeconomic front, the situation has been made worse by the mainstream political parties denying the common citizens representative district or local governments and their legitimate right to levy local taxes. The core issue in the 8th NFC award is to incorporate measures that would make devolution more meaningful in raising the living standards of the common citizen, something which can be achieved only by empowering people at the grass-root level to enable them to fend for themselves. This requires representative local governments and empowered communities. The Cantonment Board and Baluchistan district government polls have been held which followed by elections in Punjab, Sindh and KR. The local government elections have been over but it for one year
that the powers have not been transferred to district or local governments. It is time that the third tier of the federation must also be entrusted with more authority and responsibility to managing more effectively socioeconomic development at the grassroots.

It has been observed under this research effort that federalism is a relationship bridge between federation and provinces. The study of federation-provinces working relation is the real test of federalism. Further federalism used provincial autonomy as the tool to regulate the federation-provinces relations. And the performance of Council of Common Interests is measuring stick of provincial autonomy. The performance of CCI remained better during democratic regimes, while under military rule even scheduled meetings of CCI could not be held. This research reaches on clear findings that:

i) Less provincial autonomy leads to more conflict

ii) More provincial autonomy leads to less conflict

iii) Under uncompromised provincial autonomy the conflict is managed

While concluding, the message of this research is that the provisions in the constitution of Pakistan 1973 lower the probability of conventional conflict between federation and provinces provided that political and economic autonomy is ensured to provinces. Therefore it concludes that the higher the provincial autonomy the lower the intimidation to strength of federation of Pakistan. Federalism is indispensable in multicultural societies like Pakistan but simultaneously a strong consociationalism is needed to facilitate federating units to be mainstreamed in decision-making processes. By this way a sense of harmoniously existed multiple units flourish under strong federal
structure. In the final analysis, Pakistan needs to go beyond the federal centralization in terms of political and economic power sharing with provinces in-order to avoid federation-province conflict and reach uncompromised level of political and economic provincial autonomy under the Constitution of Pakistan 1973. The eighteenth amendment to the Constitution of Pakistan 1973 is a virtuous effort in this regard.

However, there may be some space that has been created by reinforced provincial autonomy after 18th amendment for the federation to coordinate or assume responsibility in areas of common pursuits of all the provinces, which cannot be dealt with individually. Therefore provinces must understand that every step of federal government is not the intervention but on several occasions it provides assistance to the provincial governments.

CHAPTER-WISE REFERENCE

CHAPTER.1

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No Conspiracies Please. (2012, June 5), *Express Tribune* (Editorial), Islamabad: ETPP


**CHAPTER.2**

**REFERENCES**


(Accessed on June 2, 2014)


CHAPTER.3

REFERENCES


CHAPTER.4

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CHAPTER 5

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**CHAPTER 6**

**REFERENCES**


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EXECUTIVE SUMMARY

This research, in-order to focus the federalism and provincial autonomy, is comprised on introduction and seven chapters. The first chapter deals with concepts and relationship building over federalism and provincial autonomy, the major area of this study. In this chapter the under discussion themes are; federalism as a system, political and economic scope of federalism, modes of federalism, essential components of devolution plan for provincial autonomy, apparatus for political and economic devolution mechanism for provincial autonomy. The second chapter explores political and economic dimensions of literature over federalism and provincial autonomy. Further, theoretical alignment, on the basis of reviewed literature, has been bordered for this research. The issue of power sharing and territorial self-governance has been generalized under consociational theory of conflict management. A wide range of available literature suggests that federalism and consociationalism are commonly supportive arrangements and in plural societies provide glue to hold multi-ethnic federating units together.

The theoretical discussion in the chapter further ascertains that consociationalism is successful system to create federalism a viable choice for governance not only in European but the non-European federations as well. The third chapter portrays the historical outlook of political and economic aspect of federalism and provincial autonomy in Pakistan. The discussion takes an account of different constitutions of Pakistan on the
subject. It unfolds history of federation-provinces working relations under critical appraisal. This chapter reveals that how far, historically, the federalism remained effective or ineffective in Pakistan to create feelings of serenity for federating units’ in-terms of political and economic share. It further depicts historical reasons due to which Pakistan could not fashion a consociational structure to accommodate grievances of provinces. The fourth chapter revolves around political and economic dimensions of federalism and provincial autonomy under the Constitution of Pakistan 1973, prior to 18th amendment. Political dimensions of provincial autonomy denote devolution of legislative, executive or administrative and judicial powers to provinces. Whereas economic dimensions are about devolution of; taxation, borrowing (domestic and International) and production and consumption of goods and services, powers to federating units. In this respect fourth chapter deals with federation-provinces political and economic relations under identity and conflict paradigm. This chapter highlights that how in Pakistan highly federalized power structure had been resulting into provincial disparity. The fifth chapter analyses political and economic scope of federalism and provincial autonomy under the Constitution of Pakistan 1973. This chapter deals with post eighteenth amendment political and economic dimensions of provincial autonomy under the Constitution of Pakistan 1973 because provincial autonomy in true letter and spirit was promised in 18th amendment. The amendment had appeared with the tendency that egalitarian regime under federalism with uncompromised provincial autonomy would be guaranteed in Pakistan. The 18th amendment covers issues related to regional disparities left unresolved since the inception of Pakistan. It further discusses that, to which extent the Constitution of Pakistan
1973, after 8th amendment, is proficient to establish consociational regime so that the demands of the neglected fragments of society in smaller provinces could be addressed.

The provincial governments of Sindh, Khyber-Pakhtunkhwa (KPK) and Balochistan are registering complaints that liabilities have been transferred to the provinces in the result of eighteenth amendment but assets are still on the disposal of federal government. This situation is not only obstructing the execution of responsibilities for provincial governments but indicates a feeble devolution mechanism for provincial autonomy. In this background the sixth chapter encompasses problems of post amendment evolved devolution mechanism for political and economic power sharing between federation and provinces. It further proposes the required model of devolution mechanism for political and economic power sharing with provinces for remedies of problems in-order to reach the uncompromised level of provincial autonomy in Pakistan. This chapter highlights post eighteenth amendment political and economic Issues, legislative crevices, challenges and solutions for provinces to achieve maximum level of provincial autonomy under progressive federalism. It espouses the promises, powers and practices under the 18th Amendment Act 2010. It analyzes those constitutional provisions which are creating demand for consociational regimes to protect the political and economic rights of provinces.

This is a time when the neglected provincial sentiments shall be accommodated by adopting a better approach getting the federation more strengthened in Pakistan. However, there may be some space that has been created by reinforced provincial autonomy after 18th
amendment for the federation to coordinate or assume responsibility in areas of common pursuits of all the provinces, which cannot be dealt with individually. Therefore provinces must understand that every step of federal government is not the intervention but on several occasions it provides assistance to the provincial governments. As for the need of this research is concerned, it is very important to study federalism and provincial autonomy particularly after 18th amendment in-order to review the federation-provinces political and economic relations in Pakistan. The 18th amendment no doubt holds extensive impact over federal and provincial governments in Pakistan because it has brought about substantial constitutional through modifications in 102 Articles of 1973 constitution, 47 decisive subjects and 18 Federal Ministries have been decentralized to provincial governments.

The innovation of this research is that this study does not remain limited to only highlighting the political and economic conflict between federation and provinces in Pakistan. But it proposes an appropriate and coherent strategy for conflict management in the view of historical experience under extreme centralized federalism. This study evolves practicable devolution mechanism for provincial autonomy to evade from traditional federation-provinces confrontation and to get desired outcomes from constitutional provisions with regards to provincial autonomy. It is significant to study federalism and provincial autonomy because in Pakistan the conventional approach of federalism prevails even in the twenty-first century and advocates that it is the federation rather than the federating units that matter. This approach is deep-rooted in such a fashion that even after 70 years of Pakistan's existence the federal system does not produce authorized data of provincial investment, saving and GDP. After eighteenth constitutional amendment
analyses of economic development in Pakistan have drawn attention towards policy issues that confront the different provinces in-terms of devolution mechanism for provincial autonomy. The aforementioned breaches have only been filled to some extent by the efforts of researchers and international institutions through reports and informal debates. It is necessary to carry out relevant studies at the provincial level. It is important after 18th amendment to discuss policies to address question of provincial autonomy by developing a proper devolution mechanism in-order to transfer political and fiscal powers to provinces in Pakistan. Academically this research contributes to the literature on federation-provinces relations in Pakistan. Further this research is useful for the students of the political economy for its clarity in concepts and ability to develop understanding about the wide ranging subjects. Practically this research contributes to subsequent governments and opposition to understand the political environment that leads to federation-provinces stress. It has significant implications for political parties to comprehend rationale of fiscal devolution mechanism while legislation is in process. It is useful for political scientists, economists and statesmen in-order to study impact of parliamentary legislation on the future political settings of Pakistan.

The major part of this research focused the provincial autonomy granted to provinces under 18th amendment. The amendment where received appraisal generally there is criticism that is so technical that common man is unable to understand. Therefore this research has also developed criticism over the 18th amendment on neglecting the COD and provincial autonomy. The critics of this amendment are of the view that if the amendment is outcome of political consensus then why charter of democracy has been failed under the
mechanism of this amendment because following mandatory issues under COD are not addressed by the 18th amendment: No provision for federal constitutional court is given, FATA cannot be merges in K.P.K, No accountability commission can replace NAB, No mechanism has been developed for the accountability of agencies. Further some political experts are of the view that there is still a question mark on the independent role of election commission, judiciary and NAB. A step further, local government system has not been empowered. All these points were also the part of COD but could not become the part of 18th amendment. The Sindh province is also criticizing the amendment on the issue of provincial autonomy, though PPP had initiated this amendment. This criticism focuses on: Senate has provincial representation but not been empowered, this violated provincial autonomy. In NEC prime minister as chairman of this institution has empowered to nominate four members, this has increased the federal imposition over provinces with majority federal members. If NEC was created to extend provincial autonomy then provincial representation would have more than the federation. However being the province with largest minority representation, Sindh also criticized the continuation of article 62 for the contestant of electoral process. Political scientists also develop criticism over the 18th amendment in respect of provincial autonomy and are of the view that this amendment has basically defused the demand of provincial autonomy. It could not extend the provinces an autonomous status but just confused that they are autonomous. This confusion has been strengthened because provinces have been devolved responsibilities but not the corresponding assets. However provinces are happy on the other hand that 18th amendment has at least opened the discussion over passive issues of provincial autonomy
and decentralization. This is a continual process indeed therefore will take time to be completed.


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### CHAPTERWISE LIST OF TABLES

#### CHAPTER.3

**Center-Province working Relations since Independence:**
Central Government's Intervention in Federating Units

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>The ministry of Congress in North West Frontier Province (NWFP) had the backing of 33 members out of 50. But it was substituted by a Muslim League ministry.</td>
</tr>
<tr>
<td>1947</td>
<td>Sindh Assembly clearly opposed the verdict of Central Government to take the Karachi out of control of the Sindh and agreed on a resolution consensually. The Chief Minister of Sindh had to pay for this resolution and he was fired from his office Soon</td>
</tr>
<tr>
<td>1948</td>
<td>Annexation of the state of Kalat into Pakistan.</td>
</tr>
<tr>
<td>1955</td>
<td>One-unit Scheme (unification of provinces and states into the One Province of West Pakistan).</td>
</tr>
<tr>
<td>1962-69</td>
<td>Presidential period of Ayub Khan (Federal system functioned similar to British Vice Regal System of 1930s).</td>
</tr>
<tr>
<td>1972-73</td>
<td>End of multilateral settlement and the deferment of the government of Baluchistan. Resignation of the government of NWFP.</td>
</tr>
<tr>
<td>1994</td>
<td>Governor Rule in NWFP and setting up a government favorable to the federal ruling party.</td>
</tr>
<tr>
<td>1995</td>
<td>Governor rule in Punjab and setting up a new government.</td>
</tr>
<tr>
<td>2002</td>
<td>17th Amendment has further questioned the federal charisma of the state.</td>
</tr>
<tr>
<td>2010-16</td>
<td>18th Amendment in the constitution of Pakistan 1973 has wide ranging impact on federation-provinces relations</td>
</tr>
</tbody>
</table>
## CHAPTER.4

### Ranking of Districts of Provinces According to Rural Development Criteria

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Punjab</th>
<th>Sindh</th>
<th>NWFP</th>
<th>Baluchistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most developed</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intermediate</td>
<td>9</td>
<td>1</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Least developed</td>
<td>-</td>
<td>12</td>
<td>2</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: The Muslim, 30 October 1983
## Allocation of Seats for non-Muslim communities in the Provincial Assemblies of Pakistan Provided in RCO 1985

<table>
<thead>
<tr>
<th>Province</th>
<th>Christians</th>
<th>Hindus and other belonging to the scheduled castes</th>
<th>Sikh, Buddhists and Parsi communities</th>
<th>Those other belonging to Qadiyani group or Lahori group (who call themselves Abnadi)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baluchistan</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Northwest Frontier Province (NWFP)</td>
<td>1</td>
<td>-1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>The Punjab</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Sindh</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
Distribution of Seats in the Majlis-E-Shoora

<table>
<thead>
<tr>
<th>Territory</th>
<th>National Assembly</th>
<th>Senate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Punjab</td>
<td>128</td>
<td>19</td>
<td>147</td>
</tr>
<tr>
<td>Sindh</td>
<td>50</td>
<td>19</td>
<td>69</td>
</tr>
<tr>
<td>NWFP</td>
<td>28</td>
<td>19</td>
<td>47</td>
</tr>
<tr>
<td>Baluchistan</td>
<td>13</td>
<td>19</td>
<td>32</td>
</tr>
<tr>
<td>FA.T.A</td>
<td>8</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Islamabad</td>
<td>-</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Minorities</td>
<td>10</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>237</td>
<td>87</td>
<td>324</td>
</tr>
<tr>
<td>Sr. No.</td>
<td>Meeting of CCI</td>
<td>Date of Meeting</td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>------------------</td>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>1(^{st}) meeting</td>
<td>August 7-9, 1975</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>2(^{nd}) meeting</td>
<td>December 27-28, 1975</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>3(^{rd}) meeting</td>
<td>December 31, 1976</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>4(^{th}) meeting</td>
<td>January 12, 1991</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>5(^{th}) meeting</td>
<td>March 21, 1991</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>6(^{th}) meeting</td>
<td>September 16, 1991</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>7(^{th}) meeting</td>
<td>September 12, 1993</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Meeting</td>
<td>Date</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>------------</td>
<td>-----------------------</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>8th meeting</td>
<td>May 29, 1997</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>9th meeting</td>
<td>May 9, 1998</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>10th meeting</td>
<td>December 22, 1998</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>11th meeting</td>
<td>August 6, 2006</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>12th meeting</td>
<td>July 8, 2010</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>13th meeting</td>
<td>September 6, 2010</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>14th meeting</td>
<td>November 8, 2010</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>15th meeting</td>
<td>February 1, 2011</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>16th meeting</td>
<td>April 28, 2011</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>17th meeting</td>
<td>June (2011)</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>18th meeting</td>
<td>August 27, 2011</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>19th meeting</td>
<td>February 9, 2012</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>20th meeting</td>
<td>August 8, 2012</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Meeting Date</td>
<td>Date</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>--------------------</td>
<td>---------------</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>21st meeting</td>
<td>November 8, 2012</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>22nd meeting</td>
<td>January 23, 2013</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>23rd meeting</td>
<td>July 23, 2013</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>24th meeting</td>
<td>July 3, 2013</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>25th meeting</td>
<td>February 10, 2014</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>26th meeting</td>
<td>May 29, 2014</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>27th meeting</td>
<td>18th March, 2015</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>28th meeting</td>
<td>29th February, 2016</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>29th meeting</td>
<td>25th March, 2016</td>
<td></td>
</tr>
</tbody>
</table>
### Provincial Share According to the 1974 NFC Award

<table>
<thead>
<tr>
<th>Punjab</th>
<th>Sindh</th>
<th>Khyber Pakhtunkhaw</th>
<th>Baluchistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.25%</td>
<td>22.50%</td>
<td>13.39%</td>
<td>3.86%</td>
</tr>
</tbody>
</table>

Source: Pakistan (1991)

### Provincial Share in the NFC Award 1979

<table>
<thead>
<tr>
<th>Punjab</th>
<th>Sindh</th>
<th>Khyber Pakhtunkhaw</th>
<th>Baluchistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>57.97%</td>
<td>23.34%</td>
<td>13.39%</td>
<td>5.30%</td>
</tr>
</tbody>
</table>

Source: Pakistan (2006b)
## Provincial Share in 4th NFC Award 1991

<table>
<thead>
<tr>
<th>Province</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Punjab</td>
<td>57.88%</td>
</tr>
<tr>
<td>Sindh</td>
<td>23.28%</td>
</tr>
<tr>
<td>Khyber Pakhtunkhaw</td>
<td>13.54%</td>
</tr>
<tr>
<td>Baluchistan</td>
<td>5.30%</td>
</tr>
</tbody>
</table>

*Source: Pakistan (1991)*

## Special Annual Grant to Provinces in 4th NFC, 1991

<table>
<thead>
<tr>
<th>Amount in Rs. Million / years</th>
<th>Punjab</th>
<th>Sindh</th>
<th>Khyber Pakhtunkhaw</th>
<th>Baluchistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>1000</td>
<td>700</td>
<td>200</td>
<td>100</td>
</tr>
<tr>
<td>Next Year’s Increase</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

*Source: Pakistan (1991)*
### Matching Grants under the 1997 Award

<table>
<thead>
<tr>
<th>Amount in Rs. Million</th>
<th>Punjab</th>
<th>Sindh</th>
<th>Khyber Pakhtunkhaw</th>
<th>Baluchistan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>500</td>
<td>500</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>


### Provincial Share in 5th NFC Award 1997

<table>
<thead>
<tr>
<th>Punjab</th>
<th>Sindh</th>
<th>Khyber Pakhtunkhaw</th>
<th>Baluchistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>57.88%</td>
<td>23.28%</td>
<td>13.54%</td>
<td>5.30%</td>
</tr>
</tbody>
</table>

Source: Pakistan (1997)

<table>
<thead>
<tr>
<th>Amount in Rs. Million / years</th>
<th>Punjab</th>
<th>Sindh</th>
<th>Khyber Pakhtunkhwa</th>
<th>Baluchistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>-</td>
<td>-</td>
<td>3.31 (To be adjusted for inflation)</td>
<td>4.08 (To be adjusted for inflation)</td>
</tr>
<tr>
<td>Next Year’s Increase</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
### CHAPTER 5

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Subject</th>
<th>Domain After 18th Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Federal Legislative List and II</td>
<td>The Parliament</td>
</tr>
<tr>
<td>2.</td>
<td>Fundamental Rights: Right to Education,</td>
<td>Federation and the provinces</td>
</tr>
<tr>
<td></td>
<td>Right to Information and all other justice-able fundamental rights</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>(a) Local Government</td>
<td>(a) Provinces</td>
</tr>
<tr>
<td></td>
<td>(b) Only for Cantonments (entry i.FL-II)</td>
<td>(b) Federal Government</td>
</tr>
<tr>
<td>4.</td>
<td>Criminal Law, Procedures and Evidence (Article 142 (I,))</td>
<td>Both the federal Parliament and t</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provinces (New concurrency)</td>
</tr>
<tr>
<td>5.</td>
<td>Residual subjects (including the subjects of abolished Concurrent List)</td>
<td>Provinces</td>
</tr>
<tr>
<td>6.</td>
<td>For Islamabad Capital Territory and other</td>
<td>The Parliament</td>
</tr>
<tr>
<td></td>
<td>territories outside provinces</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Assigned under Article 144 (for one or more provinces by consent)</td>
<td>The Parliament</td>
</tr>
<tr>
<td>8.</td>
<td>(a) Federally Administered Tribal Areas (FATA)</td>
<td>(a) The president can extend/direct</td>
</tr>
<tr>
<td></td>
<td>(b) Provincially Administered Tribal Areas (PATA)</td>
<td>(b) The governor can extend/direct</td>
</tr>
</tbody>
</table>
# Post 18th Amendment Reporting Responsibility Policy

<table>
<thead>
<tr>
<th>No.</th>
<th>Subject</th>
<th>Domain After 18th Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Education and adherence to international commitments.</td>
<td>Shared responsibility of Economic Affairs division, Ministry of Inter-Provincial Coordination and Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>3</td>
<td>Women</td>
<td>Ministry of Human Rights</td>
</tr>
<tr>
<td>4</td>
<td>Minority Affairs</td>
<td>Ministry of National Harmony</td>
</tr>
<tr>
<td>5</td>
<td>Sports</td>
<td>Pakistan Sports Board</td>
</tr>
<tr>
<td>7</td>
<td>Environment</td>
<td>Ministry of National Food Security and Research.</td>
</tr>
<tr>
<td>8</td>
<td>Agriculture</td>
<td>(a) The president can extend/direct:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) The governor can extend/direct:</td>
</tr>
<tr>
<td>Report</td>
<td>Periodicity</td>
<td>The Senate</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-------------</td>
<td>------------</td>
</tr>
<tr>
<td>Principles of Policy Article 29 (3)</td>
<td>Annual</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>(After 18th Amendment)</td>
<td></td>
</tr>
<tr>
<td>Council of Common Interests Article 153 (4)</td>
<td>Annual</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>(After 18th Amendment)</td>
<td></td>
</tr>
<tr>
<td>National Economic Council Article 156 (5)</td>
<td>Annual</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>(After 18th Amendment)</td>
<td></td>
</tr>
<tr>
<td>National Finance Commission Article 160 (313)</td>
<td>Bi-annual</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>(After 18th Amendment)</td>
<td></td>
</tr>
<tr>
<td>Auditor General Article 173</td>
<td>Annual</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>(After 18th Amendment)</td>
<td></td>
</tr>
</tbody>
</table>
### Pre-Amendment Consolidated Revenue and Expenditure of Government (Rs. Billion)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. TOTAL REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>a) Tax Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Federal</td>
<td>1009.9</td>
<td>1251.5</td>
<td>1158.6</td>
<td>1493.6</td>
</tr>
<tr>
<td>• Of which FBR Revenue</td>
<td>1007.0</td>
<td>1250.0</td>
<td>1157.0</td>
<td>1380.0</td>
</tr>
<tr>
<td>• Provincial</td>
<td>41.0</td>
<td>57.0</td>
<td>46.1</td>
<td>70.0</td>
</tr>
<tr>
<td></td>
<td>2013-14</td>
<td>2014-15</td>
<td>2015-16</td>
<td>2016-17</td>
</tr>
<tr>
<td>------------------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>B. <strong>Total Expenditure</strong></td>
<td>2281.0</td>
<td>2391.5</td>
<td>2531.3</td>
<td>2877.4</td>
</tr>
<tr>
<td>a) Current Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>1858</td>
<td>1875.8</td>
<td>2041.6</td>
<td>2103.8</td>
</tr>
<tr>
<td>• Of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Payments</td>
<td>489.7</td>
<td>523.2</td>
<td>637.8</td>
<td>647.1</td>
</tr>
<tr>
<td>• Domestic</td>
<td>430.2</td>
<td>459.1</td>
<td>558.7</td>
<td>576.8</td>
</tr>
<tr>
<td>• Foreign</td>
<td>59.5</td>
<td>64.1</td>
<td>70.1</td>
<td>70.3</td>
</tr>
<tr>
<td>• Defense Expenditure</td>
<td>285.0</td>
<td>296.1</td>
<td>329.9</td>
<td>342.9</td>
</tr>
<tr>
<td>• Provincial</td>
<td>437.1</td>
<td>517.0</td>
<td>545.7</td>
<td>590.0</td>
</tr>
<tr>
<td>b) Current Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>452.0</td>
<td>516.6</td>
<td>448.8</td>
<td>763.1</td>
</tr>
<tr>
<td>• PSDP</td>
<td>452.0</td>
<td>549.7</td>
<td>397.5</td>
<td>646.0</td>
</tr>
<tr>
<td>Federal</td>
<td>238.0</td>
<td>373.0</td>
<td>195.7</td>
<td>421.0</td>
</tr>
<tr>
<td>ERRA</td>
<td>-</td>
<td>26.7</td>
<td>-</td>
<td>25.0</td>
</tr>
<tr>
<td>Provincial</td>
<td>214.0</td>
<td>150.0</td>
<td>201.8</td>
<td>200.0</td>
</tr>
<tr>
<td>Fiscal Operations</td>
<td>2014-15</td>
<td>2013-14</td>
<td>% Growth</td>
<td>% Share</td>
</tr>
<tr>
<td>---------------------------</td>
<td>---------</td>
<td>---------</td>
<td>----------</td>
<td>---------</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,902.4</td>
<td>1,767.4</td>
<td>7.6</td>
<td>48.4</td>
</tr>
<tr>
<td>a) Tax Revenue</td>
<td>206.0</td>
<td>190.0</td>
<td>8.4</td>
<td>6.8</td>
</tr>
<tr>
<td>b) Non-Tax revenue</td>
<td>75.6</td>
<td>49.4</td>
<td>53.0</td>
<td>8.3</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>1,898.9</td>
<td>1,617.9</td>
<td>17.4</td>
<td>34.1</td>
</tr>
<tr>
<td>a) Current expenditure</td>
<td>1,400.1</td>
<td>1,187.4</td>
<td>17.9</td>
<td>31.6</td>
</tr>
<tr>
<td>b) PSDP</td>
<td>498.8</td>
<td>430.5</td>
<td>15.9</td>
<td>50.5</td>
</tr>
<tr>
<td>Fiscal Surplus/Deficit</td>
<td>87.3</td>
<td>196.9</td>
<td>562.4</td>
<td>-</td>
</tr>
</tbody>
</table>
### Overall Index for Fiscal Effort (IFE)

<table>
<thead>
<tr>
<th>Province</th>
<th>2000</th>
<th>2005</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUNJAB</td>
<td>1.19</td>
<td>1.24</td>
<td>1.24</td>
</tr>
<tr>
<td>SINDH</td>
<td>.82</td>
<td>.82</td>
<td>.76</td>
</tr>
<tr>
<td>KHYBERPAKJ4TIJNKHWA</td>
<td>.73</td>
<td>.44</td>
<td>.63</td>
</tr>
<tr>
<td>BALOCHISTAN</td>
<td>.44</td>
<td>.44</td>
<td>.42</td>
</tr>
</tbody>
</table>

### Overall Cost Recovery Index

<table>
<thead>
<tr>
<th>Province</th>
<th>2000</th>
<th>2005</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUNJAB</td>
<td>0.08</td>
<td>0.19</td>
<td>0.06</td>
</tr>
<tr>
<td>SINDH</td>
<td>0.05</td>
<td>0.04</td>
<td>0.03</td>
</tr>
<tr>
<td>KHYBERPAKJ4TIJNKHWA</td>
<td>0.07</td>
<td>0.02</td>
<td>0.05</td>
</tr>
<tr>
<td>BALOCHISTAN</td>
<td>0.03</td>
<td>0.06</td>
<td>0.05</td>
</tr>
</tbody>
</table>
Chapter 1: The Power Distribution between Federation and Provinces Pertaining to Legislation

Article 141: Extent of the Federal and Provincial Laws

The article 141 states that the Parliament may make laws, including the laws regarding extra-territorial operation, for the whole or some part of Pakistan. However, Provincial Assembly is authorized to formulate laws for the respective province or any part thereof.

Article 142: Subject-matter of Federal and Provincial Laws

This article affirms that:

(a) The Parliament shall have exclusive and special powers to make laws with respect to any matter present in the Federal Legislative List;

(b) The Majlis-e-Shoora and Provincial Assemblies shall have powers to decide criminal laws, criminal procedures and evidence.
(c) Condition to the paragraph (b) a Provincial Assembly shall and the Parliament shall not have power to legislate laws regarding a matter not itemized in the Federal Legislative List.

(d) The Parliament shall also have exclusive powers to make laws regarding all the matters pertaining to such areas in Federation as are not incorporated in any of the Province.

**Article 143: Inconsistency between Federal and Provincial Law**

According to article 143 if any clause of an Act passed by any Provincial Assembly is contradictory to any provision of an Act of Parliament which the Parliament is competent to pass then the Act of Parliament, whether conceded before or after the such Act of Provincial Assembly, shall prevail and due to the repugnancy the Act of the Provincial Assembly shall be voided.

**Article 144: Powers of Parliament to Legislate for One or More Provinces through Consensus**

(1) If one or more Provincial Assemblies pass a resolution to the effect that the Parliament may by law regulate a matter not itemized in Fourth Schedule of the Federal Legislative List it shall be lawful for Parliament to concede an Act for regulating that matter in view of that resolution. But such act so passed may be amended or cancelled by the Act of Assembly of that Province to which it relates.
Chapter 2: The Administrative Relations between Federation and the Federating Units

Article 145: Power of President to Direct the Governor in-order to Discharge Certain Functions

(1) Under clause (1) of the article 145 the President of Pakistan has powers to direct the Governor of any Province in-order to discharge functions as power sharing agent of federation. According to the amendment the Governor on the directions of President may function for particular and any general matter directed by the president. However, such functions are relating to the areas in Federation which are not incorporated in any Province as may be stated in the direction.

(2) The clause (2) of the said article stated that the provisions of Article 105 shall not be applied to the discharge of functions by the Governor of any province under the clause (1).

Article 146: Powers of Federation to Confer Powers on Provinces in Certain Cases

(1) Conditionally or unconditionally the federal government with the consent of a provincial government may entrust functions in relations to any of matters to which executive authority of the federation is extended.
(2) An Act of Parliament relating to a matter over which Provincial Assembly has no constitutional powers to make laws confers powers and imposes duties upon concerned province, officers, offices and authorities thereof.

(3) When under Article 146 the powers and duties have been conferred or imposed upon any Province, authorities or officers thereof, the federation will pay to respective province for these duties and sum will be paid as may be agreed or in default of agreement may be determined by an arbitrator appointed by the Chief Justice of Pakistan with respect any extra costs of administration incurred by respective Province in connection with the exercise of those powers or the execution of those duties.

Article 147: Power of the Provinces to Entrust Functions to the Federation

Article 147 states that either conditionally or unconditionally the Government of any Province may entrust functions to the Federal Government or to its officers in relations to matters to which the provincial executive authority extends. But it is done with the consent of Federal Government. Further, the Provincial Government is bound to get the functions entrusted to the federal government ratified by respective Provincial Assembly within the period of sixty days.
Article 148: Obligation of Provinces and Federation

(1) In every Province the executive authority will exercise its functions as to secure compliance with the Federal laws which are applicable in that Province.

(2) While exercising the authority of federation in any province the provincial interest will be regarded by the federation without prejudice to any provision of this Chapter.

(3) It is the duty of federation to shield all provinces against external belligerence and the internal turbulences and to ensure that the government of every province is working consistent with constitutional provisions.

Article 149: Directions to Provinces in Certain Cases

(1) This article 149 directs the provincial executive authority that the executive authority of a province shall exercise authority in such a way that it shall not impede or prejudice the executive authority of the federation. Further, the executive authority of federation shall extend to the giving of such directions to the respective province as may seem to the federal government to be essential for that purpose.

(3) The executive authority of federation shall also extend to the giving of directions to a province as to the maintenance and construction of means of communication stated in the direction to be of national and strategic importance.
(4) The executive authority of federation shall also extend to the giving of
directions to a province as to the way in which executive authority thereof is to
be exercised for the purpose of preventing any serious threat to peace or
tranquility, economic life of Pakistan and any part thereof.

Article 150: Full faith and Credit for Public Acts

In this article it is affirmed that complete faith and recognition shall be given to
public acts, records, and judicial proceedings of every province throughout the
Pakistan.

Article 151: Inter-provincial trade

(1) Subject to the clause (2) of Article 151 the trade, commerce and intercourse
throughout the Pakistan shall be free.

(2) The Parliament may by law impose some restrictions on the freedom of trade,
commerce and intercourse between one province and another or within any part
of the Pakistan as may be required in the interest of the public.

Article 152: Acquisition of land for federal purposes

This article states that, if it deems essential for federation to obtain any land
positioned in a province for any purpose associated with a substance with respect to which
the Parliament has powers to make laws, the federation may require the province to acquire
the land on behalf and at the expense of the federation. Further if such land belongs to a
province it would be transferred to the federation on such terms as may be decided or stated by default in an agreement as may be determined by a mediator employed by the Chief Justice.

Chapter 3: Special Provisions to Resolve the Federation-provinces Conflicts and Conflicts Amongst the Federating Units

Article 153: Council of Common Interests

(1) A Council of Common Interests to be appointed by the President shall counsel the conflict between federation-provinces and amongst the units of federation as well.

(2) Council of Common Interests consist of:

(a) Prime Minister as Chairman of the Council;

(b) Chief Ministers of all Provinces;

(c) three representatives nominated by the Prime Minister from the federal government.

(d) The Council of Common Interests shall be accountable to the Parliament and shall submit a report on annual basis to both houses of the Parliament.

Article 154: Functions and Rules of Procedure
(1) The Council of Common Interests has powers to formulate and regulate the policies in relations to the matters enlisted in Part II of Federal Legislative List. Further, the Council shall exercise supervisory authority and control over associated institutions.

(2) The Council shall be set up within thirty days of taking oath by the Prime Minister.

(3) The Council of Common Interests shall have a permanent Secretariat and shall have meeting at least once in ninety days, But the Prime Minister may summon a meeting on the request of a province on an exigent matter.

(4) The decisions of the Council of Common Interests shall be articulated in terms of an opinion of majority.

(5) The Council of Common Interests may formulate its rules of procedure until the Parliament makes provision by law regarding some specific matter of its jurisdiction.

(6) The Parliament from time to time in a joint sitting may issue directions through federal government to the Council in a particular or general matter to take action as the Parliament may believe proper and just, such directions issued by the Parliament shall be compulsory on the Council to act upon.

(7) If the federal government or a provincial government is displeased with any decision of the Council of Common Interests, it may refer the issue to the
Parliament in a joint session whose decision in this regard shall be taken as final.

**Article 155: Complaints Against Interference with the Water Supplies**

(1) If interests of a province, federal capital, federally administered tribal areas or any of the residents thereof in water from any natural source of supply or reservoir have been effected or likely to be affected prejudicially by;

(a) any legislation or executive act passed, taken or even proposed to be passed or taken or

(b) the failure of a competent authority to exercise its powers regarding the use distribution and control of water from that natural source, federal government or concerned provincial government may make a complaint in writing to the Council of Common Interests.

(2) The Council of Common Interests on receiving such complaint, after having been considered the substance of complaint, shall either give its judgment or extend a request to the President in-order to appoint a commission comprising of such persons having distinctive knowledge and experience in administration, engineering, irrigation, law or finance as he may consider fit, then the matter shall be referred to the commission.

(3) Until the Parliament constitutes provisions by law regarding the referred complaint to the council or commission, the provisions of Pakistan’s 1956
Commissions of Inquiry Act shall be applied to the council or the commission as if the council or the commission were as a commission appointed under that Act to which all the provisions of section 5 applied and upon which the powers contemplated by section 10A had been convened.

(4) After having been considered the report and the supplementary report (if any) of the Commission, the Council of Common Interests shall record its judgment on all the matters referred to the constituted commission for such purpose.

(5) If any law is contrary to the judgment of the council but subject to provisions of clause (5) of the Article 154, regarding this issue it is the obligation of federal government and the concerned provincial government to give effect to the judgement of the Council devotedly according to the terms and tenor of the recorded judgement.

(6) No proceedings shall be laid before any court at instance of any of the parties to the matter which is or has been in the issue before council, or of any of the persons whatsoever, in respect of the matter which is actually or has been or might or ought to have been an appropriate subject of complaint matter to the council under this Article.

**Article 156: National Economic Council (NEC)**
(1) The National Economic Council shall be constituted by the President. This Council shall consist of:

(a) Prime Minister as Chairman of the Council;

(b) Chief Ministers and one member from all the provinces. The member of every province shall be nominated by Chief Minister of the respective province; and

(c) Four other members nominated time to time by the Prime Minister.

(2) For recommending federal government and the provincial governments National Economic Council (NEC) shall analyze the whole conditions of the country and shall formulate some plans regarding commercial, financial and social policies. In formulating such plans it shall, along with other aspects, ensure the balanced development and the regional equity and shall be guided as well by principles of the policy set out in Chapter 2 of the Part-II.

(3) The conventions of the Council of Common Interests shall be beckoned by the Chairman or on a request made by one-half of members of the council.

(4) The council shall happen to meet at least twice in every year and quorum for a convention of the council shall be one-half of total membership of the council.

(5) The council shall be accountable to the Parliament and shall submit a report on annual basis to each house of the Parliament.
**Article 157: Electricity**

(1) In any province the federal government may construct or cause to be constructed hydro-electric, thermal power installations and grid stations for the generation of the electricity and lay, or cause to be laid inter-province transmission lines for electricity. Provided that prior to the decision to build, or cause to be built hydro-electric power stations in any province the federal government shall consult the concerned provincial government.

(2) The provincial government may:

(a) demand supply for the distribution and transmission within the province if the electricity is supplied to that province from the national grid;

(b) levy tax on consumption of electricity within the province;

(c) place transmission lines, construct the power houses and grid stations for use of electricity within the province;

(d) determine tariff for the distribution of electricity within province.

(3) In case of a dispute between federal government and a provincial government regarding any issue under this Article, any of the said governments may bring the matter to the Council of Common Interests for resolution of such dispute.

**Article 158: Priority of the Requirements of Natural Gas**
The province in which well-head of natural gas is located shall have superiority over the other parts of Pakistan in meeting requirements from the well-head, subject to the obligations and commitments as made on the day of commencement.

**Article 159: Telecasting and Broadcasting**

(1) Federal government shall not irrationally decline to entrust to any provincial government such functions regarding telecasting and broadcasting as may be essential to empower that government;

(a) to construct and use transmitters in province; and

(b) to regulate and impose fees regarding construction and use of the transmitters and use of the receiving apparatus in a province:

Condition to that nothing in this clause shall be interpreted as requiring the federal government to delegate to any provincial government any control over use of the transmitters constructed or maintained by federal government or by persons lawfully authorized by the federal government, or over the use of receiving apparatus by official so authorized.

(2) The such functions entrusted to any provincial government shall be implemented subject to the conditions as may be carried out by the federal government in the constitution including conditions regarding finance but it shall not be legitimate for the federal government so to enforce any condition
regulating the matter telecast or broadcast by itself or by any authority of
provincial government working under the disposal of federal government.

(3) Any of the federal laws regarding telecasting and broadcasting to secure that
effect can be given to previous provisions of this constitutional article.

(4) If a question arises whether the imposed conditions on a provincial government
are lawfully imposed or whether any denial by the federal government to
delegate functions is irrational, such question shall be determined by a
conciliator appointed by Chief Justice of Pakistan.

(5) Nothing in this article shall be interpreted as restricting powers of federal
government under the constitution for the prevention of any serious threat to
the peace or serenity of Pakistan or any part it.

ANNEX-B
Part VI of Constitution of Pakistan 1973
and Federation-Provinces Relations

Chapter 1: Finance

Article 160: National Finance Commission (N.F.C.)

(1) Within six months of the commencing day and thereafter at intervals not exceeding five years, the President shall constitute a National Finance Commission consisting of the Minister of Finance of the Federal Government, the Ministers of Finance of the Provincial Governments and such other persons as may be appointed by the President after consultation with the Governors of the Provinces.

(2) It shall be the duty of the National Finance Commission to make recommendations to the President as to-

(a) the distribution between the Federation and the Provinces of the net proceeds of the taxes mentioned in clause (3);

(b) the making of grants-in-aid by the Federal Government to the Provincial Governments;

(c) the exercise by the Federal Government and the Provincial Governments of the borrowing powers conferred by the Constitution; and
(d) any other matter relating to finance referred to the Commission by the President.

(3) The taxes referred to in paragraph (a) of clause (2) are the following taxes raised under the authority of Majlis-e-Shoora (Parliament), namely:

(i) taxes on income, including corporation tax, but not including taxes on income consisting of remuneration paid out of the Federal Consolidated Fund;

(ii) taxes on the sales and purchases of goods imported, exported, produced, manufactured or consumed;

(iii) export duties on cotton, and such other export duties as may be specified by the President;

(iv) such duties of exercise as may be specified by the President; and

(v) such other taxes as may be specified by the President.

(3A) The share of the Provinces in each Award of National Finance Commission shall not be less than the share given to the Provinces in the previous Award.

(3B) The Federal Finance Minister and Provincial Finance Ministers shall monitor the implementation of the Award biannually and lay their reports
before both Houses of Majlis-e-Shoora (Parliament) and Provincial Assemblies.

(4) As soon as may be after receiving the recommendation, of the National Finance Commission, the President shall, by Order, specify, in accordance with the recommendations of the Commission under paragraph (a) of clause (2), the share of the net proceeds of the taxes mentioned in clause (3) which is to be allocated to each Province, and that share shall be paid to the Government of the Province concerned, and, notwithstanding the provision of Article 78 shall not form part of the Federal Consolidated Fund.

(5) The recommendations of the National Finance Commission, together with an explanatory memorandum as to the action taken thereon, shall be laid before both Houses and the Provincial Assemblies.

(6) At any time before an Order under clause (4) is made, the President may, by Order, make such amendments or modifications in the law relating to the distribution of revenues between the Federal Government and the Provincial Governments as he may deem necessary or expedient.

(7) The President may, by Order, make grants-in-aid of the revenues of the Provinces in need of assistance and such grants shall be charged upon the Federal Consolidated Fund.

Article 161: Natural gas and Hydro-electric Power
(1) Notwithstanding the provisions of Article 78,-

(a) the net proceeds of the Federal duty of excise on natural gas levied at well head and collected by the Federal Government and of the royalty collected by the Federal Government, shall not form part of the Federal Consolidated Fund and shall be paid to the Province in which the well-head of natural gas is situated;

(b) the net proceeds of the Federal duty of excise on oil levied at well-head and collected by the Federal Government, shall not form part of the Federal Consolidated Fund and shall be paid to the Province in which the well-head of oil is situated.

(2) The net profits earned by the Federal Government, or any undertaking established or administered by the Federal Government from the bulk generation of power at a hydro-electric station shall be paid to the Province in which the hydro-electric station is situated. Explanation -For the purposes of this clause "net profits" shall be computed by deducting from the revenues accruing from the bulk supply of power from the bus-bars of a hydro-electric station at a rate to be determined by the Council of Common Interests, the operating expenses of the station, which shall include any sums payable as taxes, duties, interest or return on investment, and deprecations and element of obsolescence, and over-heads, and provision for reserves.
Article 162: Prior Sanction of President to Bills Affecting Taxation in which Provinces are interested

No Bill or amendment which imposes or varies a tax or duty the whole or part of the net proceeds whereof is assigned to any Province, or which varies the meaning of the expression "agricultural income" as defined for the purpose of the enactments relating to income-tax, or which affects the principles on which under any of the foregoing provisions of this Chapter moneys are or may be distributable to Provinces, shall be introduced or moved in the National Assembly except with the previous sanction of the President.

Article 163: Provincial Taxes in Respect of Professions, etc.

A Provincial Assembly may by Act impose taxes, not exceeding such limits as may from time to time be fixed by Act of Majlis-e-Shoora (Parliament), on persons engaged in professions, trades, callings or employments, and no such Act of the Assembly shall be regarded as imposing a tax on income.
• Miscellaneous Financial Provisions

Article 164: Grants out of Consolidated Fund

The Federation or a Province may make grants for any purpose, notwithstanding that the purpose is not one with respect to which Majlis-e-Shoora (Parliament) or, as the case may be, a Provincial Assembly may make laws.

Article 165: Exemption of Certain Public Property from Taxation

(1) The Federal Government shall not, in respect of its property or income, be liable to taxation under any Act of Provincial Assembly and, subject to clause (2), a Provincial Government shall not, in respect of its property or income, be liable to taxation under Act of Majlis-e-Shoora (Parliament) or under Act of the Provincial Assembly of any other Province.

(2) If a trade or business of any kind is carried on by or on behalf of the Government of a Province outside that Province, that Government may, in respect of any property used in connection with that trade or business or any income arising from that trade or business, be taxed under Act of Majlis-e-Shoora (Parliament) or under Act of the Provincial Assembly of the Province in which that trade or business is carried on.

(3) Nothing in this Article shall prevent the imposition of fees for services rendered.
Article 165A: Power of Majlis-e-Shoora (Parliament) to Impose Tax on the Income of Certain Corporations etc.

(1) Majlis-e-Shoora (Parliament) has, and shall be deemed always to have had, the power to make a law to provide for the levy and recovery of a tax on the income of a corporation, company or other body or institution established by or under a Federal law or a Provincial law or an existing law or a corporation, company or other body or institution owned or controlled, either directly or indirectly, by the Federal Government or a Provincial Government, regardless of the ultimate destination of such income.

(2) All orders made, proceedings taken and acts done by any authority or person, which were made, taken or done, or purported to have been made, taken or done, before the commencement of the Constitution (Amendment) Order 1985, in exercise of the powers derived from any law referred to in clause (1), or in execution of any orders made by any authority in the exercise or purported exercise of powers as aforesaid, shall, notwithstanding any judgment of any court or tribunal, including the Supreme Court and a High Court, be deemed to be and always to have been validly made, taken or done and shall not be called in question in any court, including the Supreme Court and a High Court, on any ground whatsoever.

(3) Every judgment or order of any court or tribunal, including the Supreme Court and a High Court, which is repugnant to the provisions of clause (1) or clause
(2) shall be, and shall be deemed always to have been, void and of no effect whatsoever.

Chapter 2: Borrowing, Audit and Accounts

- **Borrowing**

  i) Article 166: Borrowing by Federal Government

  ii) Article 167: Borrowing by Provincial Government

  iii) Article 168: Auditor-General of Pakistan

  iv) Article 169: Functions and Powers of Auditor-General

  v) Article 170: Power of Auditor-General to Give Directions as to Accounts

  vi) Article 171: Reports of Auditor-General

Chapter 3: Property, Contracts, Liabilities and Suits

i) Article 172 is about ownerless property

ii) Article 173 is about power to acquire property and to make contracts etc.

iii) Article 174 is about suits and proceedings
ANNEX-C

Federal Legislative List

PART I

(1) The defense of the federation or any part thereof in peace or war; the military, naval and air forces of the federation and any other armed forces raised or maintained by the federation; any armed forces which are not forces of the federation but are attached to or operating with any of the armed forces of the federation including civil armed forces; Federal Intelligence Bureau; preventive detention for reasons of state connected with defense, external affairs, or the security of Pakistan or any part thereof; person subjected to such detention; industries declared by federal law to be necessary for the purpose of defense or for the prosecution of war.

(2) Military, naval and air force works; local self-government in cantonment areas, the constitution and powers within such areas of cantonment authorities, the regulation of house accommodation in such areas, and the delimitation of such areas.
(3) External affairs; the implementing of treaties and agreements, including educational and cultural pacts and agreements, with other countries; extradition, including the surrender of criminals and accused persons to Governments outside Pakistan.

(4) Nationality, citizenship and naturalization.

(5) Migration from or into, or settlement in, a Province or the Federal Capital.

(6) Admission into, and emigration and expulsion from, Pakistan including in relation thereto the regulation of the movements in Pakistan of persons not domiciled in Pakistan; pilgrimages to places beyond Pakistan.

(7) Posts and telegraphs, including telephones, wireless, broadcasting and other like forms of communications; Post Office Saving Bank.

(8) Currency, coinage and legal tender.

(9) Foreign exchange; cheques, bills of exchange, promissory notes and other like instruments.

(10) Public debt of the Federation, including the borrowing of money on the security of the Federal Consolidated Fund; foreign loans and foreign aid.

(12) Federal Pensions, that is to say, pensions payable by the Federation or out of the Federal Consolidated Fund.

(13) Federal Ombudsmen.

(14) Administrative Courts and Tribunals for Federal subjects.

(15) Libraries, museums, and similar institutions controlled or financed by the Federation.

(16) Federal agencies and institutes for the following purposes, that is to say, for research, for professional or technical training, or for the promotion of special studies.

(17) Education as respects Pakistani students in foreign countries and foreign students in Pakistan.

(18) Nuclear energy, including:

(a) mineral resources necessary for the generation of nuclear energy;

(b) the production of nuclear fuels and the generation and use of nuclear energy, and

(c) ionizing radiations; and

(d) Boilers.
(19) Port quarantine, seamen's and marine hospitals and hospitals connected with port quarantine.

(20) Maritime shipping and navigation, including shipping and navigation on tidal waters; Admiralty jurisdiction.

(22) Aircraft and air navigation; the provision of aerodromes; regulation and organization of air traffic and of aerodromes.

(23) Lighthouses, including lightships, beacons and other provisions for the safety of shipping and aircraft.

(24) Carriage of passengers and goods by sea or by air.

(25) Copyright, inventions, designs, trademarks and merchandise marks.

(26) Opium so far as regards sale for export.

(27) Import and export across customs frontiers as deemed by the Federal Government, inter-provincial trade and commerce, trade and commerce with foreign countries; standard of quality of goods to be exported out of Pakistan.

(28) State Bank of Pakistan; banking, that is to say, the conduct of banking business by corporations other than corporations owned or controlled by a Province and carrying on business only within that Province.
(29) The law of insurance, except as respects insurance undertaken by a Province, and the regulation of the conduct of insurance business, except as respects business undertaken by a Province, Government insurance, except so far as undertaken by a Province by virtue of any matter within the legislative competence of the Provincial Assembly.

(30) Stock exchanges and future markets with objects and business not confined to one Province.

(31) Corporations, that is to say, the incorporation, regulation and winding-up of trading corporations, including banking, insurance and financial corporations, but not including corporations owned or controlled by a Province and carrying on business only within that Province, or cooperative societies, and of corporations, whether trading or not, with objects not confined to a Province, but not including universities.

(32) International treaties, conventions and agreements and International arbitration.

(33) National highways and strategic roads.

(34) Federal surveys including geological surveys and Federal meteorological organizations.

(35) Fishing and fisheries beyond territorial waters.
(36) Works, lands and buildings vested in, or in the possession of Government for the purposes of the Federation (not being military, naval or air force works), but, as regards property situate in a Province, subject always to Provincial legislation, save in so far as Federal law otherwise provides.

(37) Establishment of standards of weights and measures.

(38) Elections to the office of President, to the National Assembly, the Senate and the Provincial Assemblies; Chief Election Commissioner and Election Commissions.

(39) The salaries, allowances and privileges of the President, Speaker and Deputy Speaker of the National Assembly, Chairman and Deputy Chairman of the Senate, Prime Minister, Federal Minister, Ministers of State, the salaries, allowances and privileges of the members of the Senate and the National Assembly, and the punishment of persons who refuse to give evidence or produce documents before committees thereof.

(40) Duties of customs, including export duties.

(41) Duties of exercise, including duties on salt, but not including duties on alcoholic liquors, opium and other narcotics.

(42) Taxes on income other than agricultural income;

(43) Taxes on corporations.
(44) Taxes on the sales and purchases of goods imported, exported, produced, manufactured or consumed except sales tax on services.

(45) Taxes on the capital value of the assets, not including taxes on immovable property.

(46) Taxes on mineral oil, natural gas and minerals for use in generation of nuclear energy.

(47) Taxes and duties on the production capacity of any plant, machinery, undertaking, establishment or installation in lieu of any one or more of them.

(48) Terminal taxes on goods or passengers carried by railway, sea or air; taxes on their fares and freights.

(49) Fees in respect of any of the matters in this Part, but not including fees taken in any court.

(50) Jurisdiction and powers of all courts, except the Supreme Court, with respect to any of the matters in this list and, to such extent as is expressly authorized by or under the Constitution, the enlargement of the jurisdiction of the Supreme Court, and the conferring thereon of supplemental powers.

(51) Offences against laws with respect to any of the matters in this Part.
(52) Inquiries and statistics for the purposes of any of the matters in this Part.

(53) Matters which under the Constitution are within the legislative competence of Majlis-e-Shoora (Parliament) or relate to the Federation.

(54) Matters incidental or ancillary to any matter enumerated in this Part.
ANNEX-D

Federation-Provinces Joint Ownership

PART II

(1) Railways.

(2) Mineral oil and natural gas; liquids and substances declared by federal law to be dangerously inflammable.

(3) Development of industries, where development under federal control is declared by federal law to be expedient in the public interest; institutions, establishments, bodies and corporations administered or managed by the federal government immediately before the commencing day, including the Pakistan Water and Power Development Authority and the Pakistan Industrial Development Corporation; all undertakings, projects and schemes of such institutions, establishments, bodies and corporations, industries, projects and undertakings owned wholly or partially by the Federation or by a corporation set up by the Federation.

(4) Electricity.

(5) Major ports, that is to say, the declaration and delimitation of such ports, and the constitution and powers of port authorities therein.
(6) All regulatory authorities established under a Federal law.

(7) National planning and national economic coordination including planning and coordination of scientific and technological research.

(8) Supervision and management of public debt.

(9) Census.

(10) Extension of the powers and jurisdiction of members of a police force belonging to any Province to any area in another Province, but not so as to enable the police of one Province to exercise powers and jurisdiction in another Province without the consent of the Government of that Province; extension of the powers and jurisdiction of a police force belonging to any Province to railway areas outside that Province.

(11) Legal, medical and other professions.

(12) Standards in institutions for higher education and research, scientific and technical institutions.

(13) Inter-provincial matters and co-ordination.

(14) Council of Common Interests.

(15) Fees in respect of any of the matters in this Part but not including fees taken in any court.
(16) Offences against laws with respect to any of the matters in this Part.

(17) Inquiries and statistics for the purposes of any of the matters in this Part.

(18) Matters incidental or ancillary to any matter enumerated in this Part.