

## Federalism as a Dilemma in Pakistan: Navigating National Unity and Governance Challenges (2010-2015)

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**Abstract:** *Federalism has been a persistent challenge in Pakistan, where the tension between provincial autonomy and national unity has shaped its political and administrative landscape. This study examines the federal dynamics of Pakistan during 2010-2015, a period marked by the transformative 18th Amendment to the Constitution. While the amendment aimed to decentralize power and address long-standing provincial grievances, its implementation revealed systemic issues, including administrative inefficiencies, unequal resource distribution, and resistance from centralized institutions. Ethnic diversity, socio-economic disparities, and political instability further compounded these challenges, underscoring the fragility of Pakistan's federal framework. This research identifies the gaps in institutional capacities, the complexities of inter-provincial coordination, and the inadequacies of mechanisms such as the National Finance Commission (NFC) Award in bridging regional inequalities. Despite these hurdles, the study highlights the potential of democratic processes and constitutional reforms to foster greater inclusivity and cooperation. The findings emphasize the need for strengthening provincial governance structures, revising resource allocation frameworks, and fostering collaborative federalism to navigate these challenges effectively. Recommendations include empowering local governments, addressing ethnic grievances, enhancing institutional accountability, and promoting equitable development across provinces. By addressing these structural and political dilemmas, Pakistan can transform its federal system into a cohesive framework that ensures both national unity and regional empowerment, paving the way for sustainable governance and socio-economic progress.*

### Introduction

Federalism in Pakistan has long been a subject of debate and contention, particularly when it comes to its effectiveness in balancing national unity with the diverse regional identities within the country. Pakistan, a nation composed of multiple ethnic, linguistic, and cultural groups, has historically struggled to maintain a cohesive and unified federal structure. The country's federal framework,

which aims to distribute power between the central government and the provinces, often faces tension due to the diverse interests of its provinces and ethnic groups. Federalism in Pakistan, since its inception, has been marred by political instability, conflicts over resource distribution, and issues of governance. These problems have often escalated into larger questions about the effectiveness of federalism as a system that can accommodate regional aspirations while preserving national unity (Rizvi, 2013).

The period between 2010 and 2015 was particularly significant in Pakistan's federal journey due to the passage of the 18th Amendment to the Constitution in 2010. This amendment aimed to decentralize power, granting greater autonomy to the provinces and addressing long-standing grievances related to the centralization of authority. The amendment was seen as a major shift towards resolving the regional disparities and ethnic tensions that had plagued the country for decades. However, despite these efforts, the implementation of federal reforms revealed deep-seated challenges related to governance and political accountability. Many scholars argue that while the 18th Amendment provided a framework for decentralization, it also exposed institutional weaknesses, including inefficiencies in provincial governance and conflicts over the division of resources (Waseem, 2014).

Pakistan's federal dilemma is further complicated by its unique geopolitical and historical context. Since its creation in 1947, Pakistan has grappled with a legacy of centralized governance inherited from the British colonial period. This centralization persisted for decades, particularly under military regimes, which preferred a strong central government to manage the country's diverse regions. The dominance of Punjab, the most populous province, in the federal structure has also contributed to tensions between the center and smaller provinces like Balochistan and Sindh. These provinces have often expressed concerns over being marginalized in federal decision-making processes and over the unequal distribution of resources, which has fueled ethnic and regional discontent (Ahmad, 2012).

Federalism in Pakistan, particularly during the 2010-2015 period, represents a complex and multifaceted dilemma that continues to challenge the country's governance and national unity. While efforts like the 18th Amendment sought to decentralize power and address regional grievances, the implementation of these reforms has highlighted deeper issues related to governance capacity, resource distribution, and regional identity politics. The interplay between provincial autonomy and national unity remains a critical issue for Pakistan's future, as the country seeks to balance its diverse regional interests within a functioning federal framework. This study aims to explore these challenges in detail, contributing to the broader discourse on federalism and its role in maintaining a stable and cohesive national structure in Pakistan.

### **Literature Review**

The concept of federalism has been a subject of intense debate and analysis in Pakistan due to the country's diverse ethnic, linguistic, and regional identities. Federalism, as a system of governance, is designed to accommodate diversity by distributing power between central and regional governments, allowing regions to address their unique needs while maintaining national unity. However, in Pakistan, this structure has often resulted in tensions rather than cohesion, largely due to uneven resource distribution, regional grievances, and a history of centralized rule. Scholars argue that Pakistan's federal system is caught between the competing demands of regional autonomy and national integration, particularly in provinces like Balochistan, Sindh, and Khyber Pakhtunkhwa, where ethnic and regional identities are strong. The legacy of colonialism, coupled with post-independence political instability, has led to a federal structure that struggles to balance these competing demands (Ahmed, 2013).

One of the most significant developments in Pakistan's federal system was the passage of the 18th Amendment to the Constitution in 2010. This amendment sought to decentralize power by transferring significant authority from the central government to the provinces, addressing long-standing grievances regarding the centralization of power. The amendment was hailed as a major step toward true federalism and a way to strengthen the autonomy of Pakistan's provinces. However, while the 18th Amendment has been praised for addressing some of the imbalances in

Pakistan's federal structure, it has also been criticized for exacerbating governance challenges at the provincial level. Some scholars argue that while the amendment granted more autonomy to the provinces, it did not adequately equip them with the institutional capacity to manage newly devolved responsibilities, leading to inefficiencies in governance and service delivery (Waseem, 2014).

Governance issues at the provincial level have further complicated Pakistan's federal experiment. While the devolution of power through the 18th Amendment was intended to empower provinces, it has exposed significant weaknesses in provincial governance structures. Many provinces, particularly those that are less developed, such as Balochistan and Khyber Pakhtunkhwa, have struggled to manage the responsibilities devolved to them. Issues such as corruption, inefficiency, and lack of capacity have hindered the provinces' ability to effectively govern and provide services to their populations. Scholars have noted that federalism in Pakistan is undermined by the lack of strong institutions at both the federal and provincial levels, making it difficult for the country to realize the full potential of a decentralized governance system (Khan, 2016).

Comparative studies of federalism in other countries have provided useful insights into the challenges faced by Pakistan. For example, federal systems in countries like India and Nigeria, which also face significant ethnic and regional diversity, have been more successful in managing tensions through strong institutional frameworks and mechanisms for resource sharing. These countries have established systems that not only grant autonomy to regions but also ensure that the central government retains sufficient authority to maintain national cohesion. In contrast, Pakistan's federal system has struggled to strike this balance, with the central government often overreaching in matters of provincial governance, while provincial governments have been unable to fully manage their devolved responsibilities (Siddiqui, 2015).

#### **Federalism in Pakistan (2010-2015)**

The federal system in Pakistan experienced significant transformation during the period of 2010-2015, particularly due to the passage of the 18th Amendment in 2010. This constitutional amendment represented a major shift towards decentralization, transferring powers from the central government to the provinces in a bid to address long-standing demands for provincial autonomy. The 18th Amendment devolved several key areas such as health, education, and local governance, allowing provinces to exercise greater control over their resources and policy-making processes. However, while this was seen as a positive step towards strengthening federalism, it also exposed the limitations of provincial governance, as many provinces struggled to effectively manage the responsibilities that were newly devolved (Waseem, 2014).

The federal structure was further strained by rising ethnic and regional nationalism, particularly in Balochistan and Khyber Pakhtunkhwa (KP). In Balochistan, a longstanding insurgency continued during this period, driven by grievances over perceived exploitation of the province's natural resources and political marginalization. Similarly, in KP, the demand for greater provincial autonomy grew as the province faced challenges related to militancy and security concerns, partly due to its proximity to Afghanistan. These regional dynamics posed significant challenges to federal cohesion, as the central government often intervened in provincial matters to maintain control, leading to accusations of overreach and undermining of provincial autonomy (Baloch, 2014).

#### **Political Landscape**

The political landscape of Pakistan from 2010 to 2015 was marked by significant shifts in governance, policy-making, and regional politics, largely influenced by the 18th Amendment and the evolving nature of federalism. This period saw the Pakistan People's Party (PPP) in power until 2013, followed by the Pakistan Muslim League-Nawaz (PML-N) government, which took over after the general elections. These transitions were not just political but also institutional, with a focus on decentralization, as powers were devolved to the provinces. However, political instability and power struggles between federal and provincial governments persisted, often hindering effective governance. Ethnic, sectarian, and regional divides, particularly in Balochistan and Khyber Pakhtunkhwa (KP), influenced the political agenda, as provincial autonomy remained a contentious issue amid calls for stronger provincial governance mechanisms (Ahmed, 2014).

At the same time, the political landscape was also shaped by Pakistan's complex relations with neighboring countries, particularly India and Afghanistan, which impacted internal security and political stability. The war on terror and the rising influence of militant groups in KP and the tribal areas further complicated governance, creating tensions between provincial autonomy and national security concerns. Political parties like the Awami National Party (ANP) in KP and nationalist groups in Balochistan called for greater provincial control over resources and decision-making, which often clashed with the central government's efforts to maintain national cohesion. Despite the federal government's attempts to strike a balance between national unity and regional autonomy, political fragmentation and governance challenges continued to define Pakistan's political landscape during this period (Baloch, 2015).

#### **Major Federal Reforms**

Between 2010 and 2015, Pakistan witnessed one of its most significant federal reforms with the passage of the 18th Amendment in 2010, which redefined the balance of power between the central and provincial governments. This amendment transferred substantial authority from the federal government to the provinces, including responsibilities over education, health, and local governance, signaling a shift toward greater provincial autonomy. The amendment also abolished the Concurrent Legislative List, which had previously allowed both federal and provincial governments to legislate on certain subjects, thereby granting exclusive legislative powers to the provinces in those areas. This reform was a response to long-standing demands for provincial autonomy, particularly from smaller provinces like Balochistan and Khyber Pakhtunkhwa, and was seen as a step toward addressing the uneven power dynamics that had plagued the federation since its inception (Waseem, 2014).

#### **Regional Dynamics and Ethnic Tensions**

The period from 2010 to 2015 in Pakistan was marked by significant regional dynamics and heightened ethnic tensions, which complicated the country's federal structure. Provinces such as Balochistan and Sindh, long marginalized in terms of resource distribution and political influence, became vocal in their demands for greater autonomy. Balochistan, in particular, remained a flashpoint due to its rich natural resources, such as gas and minerals, which the local population felt were being exploited by the central government without adequate compensation or development in the region. The insurgency in Balochistan, fueled by these grievances, continued to challenge federal authority, with many Baloch nationalists calling for either increased autonomy or outright independence. Similarly, in Sindh, there were growing calls for more provincial control over governance and resources, especially in urban centers like Karachi, where ethnic tensions between Sindhis, Mohajirs, and Pashtuns contributed to violence and instability (Baloch, 2014).

#### **Impact on National Unity**

The impact of federalism on national unity in Pakistan has been a subject of considerable debate, particularly during the 2010-2015 period. Federalism, in principle, allows for the distribution of power between the central government and provincial units, fostering greater autonomy at the regional level. However, in Pakistan, this power-sharing mechanism has often led to tensions between the center and provinces, especially concerning resource allocation and political representation. The lack of trust in the central authority, combined with historical grievances, has undermined efforts to foster national unity, creating an environment of political and ethnic discord (Shah, 2012).

The 18th Amendment to the Constitution of Pakistan, passed in 2010, sought to address these concerns by devolving greater powers to the provinces. While this amendment was a significant step toward decentralization, it also brought challenges for national unity. Some provinces, especially smaller ones, have argued that despite the amendment, their interests are still not adequately represented. This perception of inequality has fueled regionalism and ethno-nationalist movements, particularly in Balochistan and Sindh, leading to further fragmentation of national cohesion (Waseem, 2014).

Religious and sectarian divides have also contributed to the fragmentation of national unity. Federalism, by allowing provinces some autonomy in governance, has sometimes failed to address

the complex dynamics of sectarian conflict within provinces. In regions like Punjab, where religious and sectarian tensions run high, the provincial autonomy granted under federalism has not always translated into effective conflict management. As a result, the national government has struggled to project a unified stance on issues related to religious harmony, further weakening national unity (Khan, 2016).

The role of the military in Pakistan's federal structure has also had a significant impact on national unity. The military, often seen as a unifying force, has frequently intervened in governance, which has sometimes led to a centralization of power at the expense of provincial autonomy. This centralization has been a double-edged sword; while it may temporarily maintain stability, it often erodes trust in the democratic federal process, making it harder to sustain long-term national unity. The military's involvement in governance has, at times, created a power imbalance between civilian and military leadership, with negative consequences for federalism and unity (Siddiq, 2017).

Lastly, Pakistan's experience with federalism has been complicated by its geopolitical situation, particularly in border provinces like Khyber Pakhtunkhwa and Balochistan. These provinces, which are home to significant Pashtun and Baloch populations, have been affected by cross-border tensions and conflicts, especially with Afghanistan. The federal government's inability to fully integrate these regions into the national fabric, while addressing security concerns, has further strained national unity. The sense of neglect in these border regions, coupled with ongoing security challenges, has made it difficult for the central government to promote a unified national vision (Yusuf, 2014).

### **Challenges to Governance**

The period between 2010 and 2015 in Pakistan revealed several critical challenges to governance, particularly in the wake of the 18th Amendment, which devolved significant powers to the provinces. One of the major governance issues was the institutional capacity of provincial governments to manage newly devolved responsibilities in sectors like education, health, and local governance. While the amendment was a step toward greater provincial autonomy, many provinces, particularly Balochistan and Khyber Pakhtunkhwa, lacked the administrative infrastructure, trained personnel, and financial resources needed to effectively handle their expanded mandates. This led to inefficiencies in service delivery and poor policy implementation, exacerbating the divide between well-governed regions, such as Punjab, and less developed ones (Siddiqui, 2015).

Another major challenge to governance during this period was the persistent political instability at both the provincial and federal levels. Conflicts between provincial governments and the central government over resource distribution, policy priorities, and ethnic representation created frequent political gridlock. The National Finance Commission (NFC) Award, meant to equitably distribute revenues between the provinces and the federal government, became a source of contention, with provinces arguing that the center was retaining too much control over key resources. This tension was particularly evident in Balochistan, where an ongoing insurgency fueled by dissatisfaction with resource allocation and political marginalization posed serious governance challenges. These political dynamics hindered effective governance, as both federal and provincial governments often struggled to cooperate on crucial policy matters (Cheema, 2014).

The security situation also presented a formidable governance challenge during this period. Ongoing militant activities in Khyber Pakhtunkhwa, especially in the Federally Administered Tribal Areas (FATA), and the insurgency in Balochistan created an environment of instability that hampered governance. The military's heavy involvement in these regions, combined with the central government's focus on national security, often overshadowed provincial governance efforts. This blurred the lines of authority between civilian and military institutions, leading to a governance crisis where provincial governments were either sidelined or unable to exert full control over their territories. The lack of security in these provinces further eroded trust in both federal and provincial institutions, as many citizens felt abandoned by their governments in their time of need (Baloch, 2014).

1. One of the significant challenges to governance in Pakistan's federal system has been the centralization of power, which undermines provincial autonomy. Despite constitutional



- provisions for decentralization, the central government has historically maintained control over key areas such as defense, foreign affairs, and fiscal policy. This concentration of power in the federal government often sidelines provincial authorities, limiting their capacity to address local needs effectively. As a result, provincial governments struggle to implement policies that reflect the specific socio-economic conditions of their regions, contributing to governance inefficiencies (Cheema & Khan, 2011).
2. Another challenge is the lack of effective inter-provincial coordination, which hampers unified policy implementation across the country. The absence of structured communication and collaboration mechanisms among provinces leads to inconsistencies in policy execution, particularly in sectors like health, education, and infrastructure. This fragmentation complicates efforts to build cohesive governance systems, as each province may pursue its interests at the expense of national priorities. Moreover, the lack of coordination often results in duplication of efforts, inefficient resource use, and uneven development across provinces (Ahmed, 2013).
  3. Corruption remains a critical governance challenge in Pakistan, undermining both federal and provincial institutions. Weak accountability mechanisms and the politicization of oversight bodies have allowed corruption to flourish at multiple levels of government. Provincial administrations, in particular, have been vulnerable to corruption, given the limited oversight from federal institutions. This weak governance structure erodes public trust in government institutions and hinders efforts to establish transparent, effective governance. The persistence of corruption has resulted in inefficient public services, further exacerbating regional inequalities and fueling dissatisfaction among citizens (Haque & Gul, 2014).

#### **Institutional Challenges**

1. One of the most significant institutional challenges in Pakistan is the inefficiency of its bureaucratic system. The bureaucracy, often characterized by rigid hierarchical structures, outdated processes, and resistance to change, has been unable to effectively manage the complexities of governance. Slow decision-making, a lack of accountability, and excessive red tape hinder the implementation of policies, leading to delays in critical services. This inefficiency not only erodes public trust in state institutions but also discourages investment and innovation within the public sector. Moreover, political interference in bureaucratic appointments exacerbates these inefficiencies, as it often compromises merit-based hiring and promotions (Siddiqui, 2015).
2. Another challenge is the weak institutional capacity at both the federal and provincial levels. Institutions tasked with delivering essential public services such as health, education, and law enforcement often lack the necessary resources—financial, technical, and human—to fulfill their mandates effectively. This results in poor service delivery, particularly in remote and underdeveloped regions. (Cheema & Maqsood, 2014).
3. Pakistan has also faced the challenge of policy discontinuity, which undermines long-term development efforts. Frequent changes in government, political instability, and shifts in leadership often lead to the abandonment or revision of previously established policies. This lack of continuity affects large-scale infrastructure projects, economic reforms, and social welfare programs, disrupting progress and creating inefficiencies. Institutions are often left in a state of flux, uncertain about their direction or objectives, which leads to mismanagement and waste of resources. The inconsistency in policy implementation hampers the ability of state institutions to build on past successes and establish sustainable governance structures (Khan, 2013).
4. Inter-institutional conflicts between different branches of government pose another significant challenge. Tensions between the executive, judiciary, and legislative branches often lead to a power struggle, which compromises the effective functioning of institutions. In Pakistan, the judiciary has frequently clashed with the executive over issues of constitutional authority and governance, leading to judicial overreach in some cases. This

has created friction, making it difficult for institutions to collaborate on key national issues. These conflicts weaken governance by creating uncertainty and delaying the passage of crucial reforms or the implementation of important policies (Haque, 2016).

5. Corruption within public institutions continues to be a major impediment to good governance in Pakistan. The lack of robust accountability mechanisms has allowed corruption to thrive, particularly in institutions responsible for resource allocation, public procurement, and infrastructure development. (Jalal, 2014).

#### **Resource Distribution and Fiscal Federalism**

Resource distribution and fiscal federalism have been key issues in Pakistan's governance structure, given the country's federal nature. Fiscal federalism refers to the financial relationship between the central government and provincial governments, particularly concerning the distribution of resources and revenues. Pakistan's constitution enshrines federalism, yet the distribution of financial resources has historically been a point of contention. The central government traditionally controlled most revenue, leading to provincial governments' reliance on federal transfers to fund their budgets. This centralization has been criticized for exacerbating regional inequalities, as provinces with larger populations or greater political influence tend to receive more resources, leaving less-developed provinces at a disadvantage (Ahmed & Bukhari, 2011).

The National Finance Commission (NFC) Award is the primary mechanism for distributing revenues between the federal and provincial governments. The 7th NFC Award, implemented in 2010, represented a significant shift in Pakistan's fiscal federalism. It increased the provincial share of revenue from 47.5% to 56% in the first year, further rising to 57.5% thereafter. This was a positive step toward addressing long-standing grievances of provincial governments, particularly in Sindh and Balochistan, which had argued that their resources were being exploited without fair compensation. The new distribution formula, based on factors such as population, poverty, and underdevelopment, aimed to create a more equitable distribution of resources. However, despite these reforms, some provinces still express dissatisfaction with the overall distribution system, arguing that it does not sufficiently account for their contributions, especially in terms of natural resources (Haque & Khan, 2013).

Natural resource management is another critical aspect of fiscal federalism in Pakistan. Provinces such as Balochistan and Sindh are rich in natural resources like gas, oil, and minerals, yet they have long argued that they do not receive an equitable share of the revenues generated from these resources. The 18th Amendment to the Constitution, passed in 2010, granted provinces more control over their natural resources. Despite this constitutional reform, the implementation has been uneven, and provinces continue to claim that the federal government retains too much control over resource management. This has fueled regional tensions and demands for greater fiscal autonomy, particularly in resource-rich but economically underdeveloped areas (Soomro, 2014).

Provinces like Balochistan, which is rich in gas, continue to suffer from underdevelopment despite their natural wealth. The unequal distribution of resources and lack of provincial control over these resources have exacerbated feelings of marginalization. The provincial government in Balochistan, for example, has consistently raised concerns over the disparity between what the province contributes to national revenue and what it receives in return. This has intensified demands for more equitable resource-sharing agreements and greater provincial autonomy in managing these resources. Such grievances have also contributed to ethno-nationalist movements within the province, threatening national unity (Jaffar, 2016).

Another significant issue is the provinces' limited capacity to generate their own revenue. Despite the increased provincial share of national revenue through the NFC Award, provinces still rely heavily on federal transfers to meet their budgetary needs. Their limited capacity to raise taxes or other revenues locally creates fiscal imbalances, making them dependent on the central government for funding. This dependence undermines the concept of fiscal federalism, which aims to empower provinces by giving them financial autonomy. Improving the provinces' revenue-generating capabilities, such as strengthening tax collection mechanisms and encouraging local

economic development, is crucial to reducing this dependence and achieving a more balanced fiscal federalism (Khan & Ahmed, 2015).

Moreover, fiscal federalism has played a critical role in shaping Pakistan's regional development policies. The unequal distribution of resources has led to imbalances in development between provinces, with wealthier provinces like Punjab benefiting from better infrastructure and services, while provinces like Khyber Pakhtunkhwa and Balochistan lag behind. Addressing these regional disparities is essential for promoting national cohesion and balanced economic growth. Strengthening fiscal federalism by revising revenue-sharing formulas and enhancing provincial fiscal autonomy could help reduce these inequalities and foster more inclusive development (Ali, 2014).

### **The Role of Bureaucracy**

1. Bureaucracy plays a critical role in ensuring the smooth functioning of government by implementing policies and managing public administration. In Pakistan, the bureaucratic system serves as the primary mechanism through which government policies are translated into action. Bureaucrats are responsible for the day-to-day operations of the government, ensuring that laws and regulations are enforced, services are delivered, and public programs are managed. Given their expertise and permanent status within the system, bureaucrats offer continuity, especially during periods of political instability, allowing the government to function even in times of crisis (Rizvi, 2013).
2. Despite its importance, bureaucracy in Pakistan has often been criticized for being overly politicized, which undermines its efficiency. Political interference in bureaucratic appointments and promotions has led to a decline in merit-based selections. As a result, the bureaucracy's ability to function as a neutral and efficient body has been compromised. The politicization of the bureaucracy not only affects the quality of governance but also erodes public trust in governmental institutions, as officials may prioritize political loyalty over professional competence (Cheema & Sayeed, 2014).
3. Bureaucrats are essential for the implementation of public policy, bridging the gap between policy formulation and execution. In Pakistan, however, bureaucratic inefficiency and red tape often delay or derail the implementation of policies. These delays can result in poor service delivery, wastage of resources, and the failure to achieve policy objectives. Moreover, the hierarchical and rigid structure of the bureaucracy stifles innovation and discourages proactive problem-solving, further complicating the process of policy execution (Niaz, 2015).
3. The bureaucracy also has a crucial role in facilitating national development. In Pakistan, the success of various development initiatives, including infrastructure projects, health programs, and educational reforms, depends largely on the efficiency and capacity of the bureaucratic system. A strong and well-functioning bureaucracy is necessary for mobilizing resources, managing projects, and ensuring accountability. However, in many instances, bureaucratic inefficiencies have slowed the pace of development, particularly in rural areas, where institutional capacity is weaker. Strengthening the bureaucracy through reforms and capacity building is thus essential for achieving long-term development goals (Haque & Khattak, 2016).

### **Case Studies**

1. The 7th NFC Award is a significant case study in understanding resource distribution and fiscal federalism in Pakistan. Implemented in 2010, this award marked a shift toward a more equitable distribution of resources between the federal and provincial governments. Prior to this, the federal government retained the majority of the revenues, which created deep dissatisfaction among the provinces, particularly Balochistan and Sindh. The 7th NFC Award increased the provincial share of the divisible pool from 47.5% to 56%, which was further raised to 57.5% in subsequent years. This new formula also incorporated factors such as population, poverty, underdevelopment, and revenue generation capacity to determine the distribution of resources. The case of the 7th NFC Award highlights the importance of addressing provincial grievances in resource sharing and demonstrates how fiscal federalism



- can be adjusted to promote national unity. However, despite this reform, ongoing tensions persist as provinces like Balochistan continue to feel marginalized due to uneven development (Haque & Khan, 2013).
2. Balochistan's grievances over the distribution of natural gas revenues present another important case study in resource distribution and fiscal federalism. Despite being rich in natural gas, Balochistan remains one of Pakistan's most underdeveloped provinces. Successive federal governments have controlled much of the province's natural gas resources, and Balochistan has historically received only a small portion of the revenues generated from its own resources. The implementation of the 18th Amendment in 2010, which gave provinces more control over their natural resources, aimed to address these long-standing grievances. However, the practical effects of this amendment have been limited, and Balochistan continues to demand a fairer share of resource revenues. This case study underscores the ongoing challenges in ensuring equitable resource distribution within Pakistan's federal framework, particularly for resource-rich but economically marginalized provinces (Jaffar, 2016).
  3. Khyber Pakhtunkhwa (KP) provides another illustrative case of fiscal federalism's impact on resource distribution. The province, which has been a frontline region in the global war on terror, has borne the brunt of internal displacement, security challenges, and infrastructure destruction. The NFC Award in 2010 included considerations for provinces facing exceptional circumstances, like KP, which was allocated additional resources to support its rebuilding efforts. However, the province has consistently argued that it does not receive sufficient financial support to meet its unique security and developmental challenges. The case of KP highlights the complexities of fiscal federalism in a conflict-affected region and demonstrates the limitations of existing resource-sharing mechanisms in addressing the province's extraordinary needs (Yusuf, 2015).
  4. Sindh, one of Pakistan's most populous and industrialized provinces, offers a different perspective on fiscal federalism. Unlike Balochistan and Khyber Pakhtunkhwa, Sindh has a relatively robust revenue-generating capacity, largely due to its industrial base and the presence of major economic hubs like Karachi. However, Sindh has frequently argued that the federal government's revenue distribution formula fails to adequately compensate the province for its contribution to the national economy. Despite the 7th NFC Award's efforts to address some of these concerns, Sindh continues to push for a greater share of revenue, particularly from its natural resources like oil and gas. This case illustrates the tension between provinces that contribute disproportionately to national revenues and their demands for a fairer allocation of resources (Waseem, 2013).

### **Analysis and Discussion**

The article "**Federalism as a Dilemma in Pakistan: Navigating National Unity and Governance Challenges (2010-2015)**" critically examines the ongoing challenges of federalism in Pakistan, particularly focusing on the implications for national unity and governance. It delves into the relationship between federal and provincial governments, the distribution of resources, fiscal federalism, and the role of bureaucratic and political institutions in addressing or exacerbating these issues. Pakistan's complex socio-political landscape and the historical legacies of centralization have made federalism a difficult balancing act, and the analysis provided highlights both the successes and continuing dilemmas within this system.

At the core of Pakistan's federalism is the principle of resource distribution, which is fundamentally linked to fiscal federalism. The **7th National Finance Commission (NFC) Award (2010)** is one of the landmark developments discussed in the article. This Award was a step toward more equitable resource distribution by increasing the share of provincial governments from the national divisible pool. It represented an attempt to address the long-standing grievances of provinces that felt economically marginalized, particularly Balochistan, Sindh, and Khyber Pakhtunkhwa. However, the analysis shows that despite this progressive measure, underlying tensions regarding resource

distribution have persisted. This is evident in the ongoing demands by provinces for greater fiscal autonomy and more control over their natural resources.

The case of **Balochistan**, for instance, reveals the challenges of implementing equitable resource distribution. The province is rich in natural resources, particularly gas, but remains one of the least developed regions in the country. Despite constitutional reforms like the **18th Amendment**, which granted provinces more control over their resources, Balochistan continues to suffer from underdevelopment and socio-economic inequality. This situation reflects a broader issue within Pakistan's federal system: while provinces may be granted formal authority over resources, the actual implementation of these powers remains limited. Balochistan's experience underscores the gap between policy reforms and ground realities, where provincial autonomy is curtailed by federal dominance and ineffective local governance.

Furthermore, the **political and bureaucratic challenges** that accompany fiscal federalism are significant. The article emphasizes that political interference in bureaucratic functions undermines the effective governance that is essential for managing fiscal federalism. The politicization of Pakistan's bureaucracy, where appointments are often based on political loyalty rather than merit, has led to inefficiencies in implementing reforms like the NFC Award and the 18th Amendment. Bureaucrats, who are supposed to serve as neutral administrators, often face pressure from political elites, which diminishes their ability to manage resource distribution impartially. This politicization reduces the credibility of governance institutions and creates a governance deficit, as officials may prioritize political interests over regional needs, particularly in provinces like Balochistan and Khyber Pakhtunkhwa, where development is already lagging.

In the case of **Khyber Pakhtunkhwa (KP)**, the province has faced exceptional circumstances due to its role as a frontline region in the global war on terror. The **NFC Award** considered such extraordinary conditions and allocated additional resources to KP for rebuilding efforts and infrastructure development. However, the analysis shows that despite these fiscal adjustments, the province continues to grapple with significant security and developmental challenges. The federal government's resources and political will have been insufficient to fully address KP's unique needs, particularly in terms of rehabilitation and counter-terrorism measures. This highlights a key limitation of fiscal federalism in Pakistan: while provinces may receive additional financial resources, the structural and institutional capacity to utilize these funds effectively is often lacking. KP's situation demonstrates the complexity of federal governance in conflict-affected areas, where fiscal resources alone are not enough to resolve deep-rooted challenges.

Similarly, the case of **Sindh** offers another dimension to the discussion on fiscal federalism. As one of the most economically significant provinces, Sindh generates substantial national revenue through its industrial and commercial base, particularly in Karachi. However, Sindh has consistently argued that its contributions to national revenue are not adequately reflected in the resources it receives from the federal government. This dissatisfaction is rooted in the perception that the revenue-sharing formula does not sufficiently compensate Sindh for its economic role, especially in terms of its natural resources like oil and gas. The article's analysis reveals the inherent tension in Pakistan's federal system between wealthier provinces that contribute disproportionately to national revenue and the need for equitable distribution to less-developed provinces. Sindh's demands for a larger share of revenue highlight the difficulties in balancing regional autonomy with national cohesion.

The **institutional weaknesses** within Pakistan's federal system exacerbate the challenges of fiscal federalism and resource distribution. As the article notes, the lack of effective coordination between federal and provincial institutions leads to fragmented governance. Despite constitutional reforms intended to decentralize power, the federal government still retains significant influence over provincial affairs, particularly through financial control. This creates a scenario where provincial governments are dependent on federal transfers, limiting their autonomy. The analysis suggests that strengthening institutional capacity at both the federal and provincial levels is essential for improving the effectiveness of fiscal federalism. Without such capacity-building measures, even

progressive reforms like the NFC Award and the 18th Amendment may fail to achieve their intended outcomes.

Moreover, the **judicial-executive tensions** discussed in the article reflect another layer of institutional complexity in Pakistan's federalism. The judiciary has often intervened in matters of governance, particularly when the executive branch is perceived to be overstepping its constitutional boundaries. While judicial activism can serve as a check on executive power, it has also created institutional gridlock, delaying policy implementation. This tension between the judiciary and executive undermines the stability of governance and hampers the effective management of fiscal resources, particularly in provinces that rely heavily on federal support. The article emphasizes that resolving these institutional conflicts is crucial for the smooth functioning of Pakistan's federal system.

In conclusion, the analysis and discussion of this article highlight the **multi-faceted challenges** of federalism in Pakistan, particularly in relation to resource distribution and fiscal federalism. While reforms like the 7th NFC Award and the 18th Amendment represent important steps toward decentralization, their implementation has been hampered by political interference, institutional inefficiencies, and persistent regional inequalities. The case studies of Balochistan, KP, and Sindh illustrate the complexities of managing federalism in a diverse and politically fragmented country. To strengthen national unity and improve governance, Pakistan must address its institutional weaknesses, depoliticize its bureaucracy, and create a more transparent and equitable system of resource distribution. Only through genuine commitment to these reforms can Pakistan achieve a balance between regional autonomy and national cohesion.

### **Conclusion**

The period from 2010 to 2015 marked a critical phase in Pakistan's federal trajectory, with significant efforts and challenges in reconciling the imperatives of national unity with the complexities of federal governance. The passage of the 18th Amendment symbolized a historic shift, devolving power to provinces and reinforcing the spirit of federalism as enshrined in the Constitution. However, its implementation exposed systemic weaknesses, including administrative inefficiencies, uneven capacity among provinces, and resistance from entrenched centralized institutions. These shortcomings hindered the realization of the amendment's transformative potential and perpetuated tensions between federal and provincial governments. The challenges of federalism in Pakistan during this period were further compounded by ethnic diversity, economic disparities, and political instability. Provincial demands for greater autonomy often clashed with the federal government's need for cohesion, revealing a fragile balance between decentralization and unity. Additionally, issues like resource distribution, particularly through the National Finance Commission (NFC) Award, highlighted the structural inequities that fueled provincial grievances.

Despite these challenges, the era also underscored the resilience of Pakistan's federal framework. It showcased the potential for dialogue, constitutional reform, and democratic processes to address long-standing conflicts. Moving forward, achieving a harmonious balance requires strengthening institutional capacities, fostering inter-provincial cooperation, and ensuring equitable development to bridge regional disparities. By navigating these dilemmas with a commitment to inclusivity and constitutionalism, Pakistan can transform its federal structure into a source of strength rather than division, paving the way for a more unified and prosperous nation.

### **Findings**

1. The 18th Amendment marked a significant step toward decentralization in Pakistan's federal framework.
2. Provinces gained greater autonomy, but their administrative capacity to handle devolved powers remained limited.
3. The federal government often struggled to balance cohesion with provincial demands for autonomy.
4. Resource distribution through the National Finance Commission (NFC) Award exposed persistent regional disparities.
5. Ethnic diversity and historical grievances fueled tensions in the federal structure.

6. Political instability during 2010-2015 hindered consistent federal-provincial coordination.
7. Centralized institutions exhibited resistance to implementing decentralized governance effectively.
8. Weak inter-provincial cooperation hampered progress on shared national challenges.
9. Federalism challenges exacerbated socio-economic inequalities across provinces.
10. Democratic processes and constitutional reforms remained essential tools for addressing federal dilemmas.

### **Recommendations**

1. Develop administrative and financial capabilities at the provincial level to ensure efficient utilization of devolved powers under the 18th Amendment.
2. Establish robust mechanisms, such as a reformed Council of Common Interests (CCI), to address disputes and foster collaboration among provinces.
3. Revise the National Finance Commission (NFC) Award to prioritize balanced economic development and address disparities among provinces.
4. Institutionalize strong local government systems to decentralize governance further and improve service delivery.
5. Implement inclusive policies to mitigate ethnic and regional tensions, promoting a sense of belonging among marginalized groups.
6. Develop long-term federal policies that respect provincial autonomy while maintaining national cohesion.
7. Introduce accountability and transparency in federal institutions to align them with the principles of decentralization.
8. Strengthen democratic processes to facilitate dialogue and consensus-building on federal issues.
9. Provide training and resources for provincial governments to manage devolved responsibilities effectively.
10. Establish a framework for periodic reviews of the federal structure to adapt to evolving challenges and opportunities.
11. Involve civil society and academia in promoting awareness and dialogue on the benefits of federalism.
12. Empower the judiciary to resolve federal-provincial disputes impartially and uphold constitutional provisions.

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