



FEDERALISM IN PAKISTAN: CHALLENGES, REFORMS, AND THE QUEST FOR POLITICAL STABILITY

¹Shaikh Asif Iqbal, ²Muhammad Ali Raza, ³Faisal Ahmad, ⁴Rehan Hussain

¹Associate Professor, Government Degree College and PG Centre Latifabad No 11 Hyderabad Sindh Pakistan

²PhD Scholar, Department of History , Government College University Faisalabad.

³Ph.D. Scholar, Department of History Karabuk University Turkiye.

⁴Department of Politics and International Studies, Karakorum international University Gilgit, Pakistan.

[¹zahooriasif@gmail.com](mailto:zahooriasif@gmail.com), [²aliraza87300@gmail.com](mailto:aliraza87300@gmail.com), [³Faisal.ahmadgilgit@gmail.com](mailto:Faisal.ahmadgilgit@gmail.com)
[⁴krehanhussain907@gmail.com](mailto:krehanhussain907@gmail.com)

Abstract

Federalism in Pakistan has been a complex and evolving feature of its political system, shaped by historical legacies, ethno-linguistic diversity, and institutional imbalances. Despite constitutional frameworks like the 1973 Constitution and the landmark 18th Amendment aimed at devolving power, the implementation of federal principles remains uneven. This paper critically examines the structural challenges undermining effective federalism in Pakistan, including center-province tensions, fiscal disparities, political centralization, and civil-military dynamics. It further evaluates reform efforts and explores the prospects for achieving political stability through genuine federal practices. The revision argues that sustainable federalism, grounded in equitable resource distribution and provincial autonomy, is essential for strengthening national integration and democratic governance in Pakistan.
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Corresponding Authors*:

INTRODUCTION

Federalism, as a political arrangement, is designed to accommodate diversity within a unified state by distributing power between national and subnational governments. In Pakistan, federalism was intended to manage regional identities, promote inclusive governance, and prevent centralization. However, successive political developments have led to strained center-province relations, creating governance and stability challenges. This paper examines the historical trajectory of federalism in Pakistan, identifies the core challenges, and evaluates the impact of reforms like the 18th Amendment. It also assesses the role of federalism in promoting political stability.

HISTORICAL BACKGROUND OF FEDERALISM IN PAKISTAN

Federalism in Pakistan has been shaped by the country's complex ethnic, linguistic, and regional diversity, as well as by its tumultuous political history. At the time of independence in 1947, Pakistan was created as a federal state comprising two geographically, culturally distinct wings east, and West Pakistan separated by over a thousand miles of Indian Territory. However, the early federal structure was highly centralized, with power concentrated in the hands of the central government and military-bureaucratic elite (Waseem, 2006). The adoption of successive constitutions in 1956, 1962, and finally in 1973 reflected attempts to define and refine the federal arrangement. The 1973 Constitution, still in force today, formally recognized Pakistan as a federation with clear delineation of powers between the center and provinces. However, repeated military interventions and authoritarian rule undermined the federal balance, with centralization becoming a persistent feature of governance (Shah, 2014).

The secession of East Pakistan in 1971 culminating in the creation of Bangladesh highlighted the failure of the federal model to accommodate regional aspirations. Since then, demands for greater provincial autonomy have been a recurring theme in Pakistan's political discourse. The passage of the 18th Amendment in 2010 marked the most significant step toward true federalism by devolving powers to provinces, though implementation remains uneven.

At the time of its independence in 1947, Pakistan inherited a centralized colonial administrative structure. The division between East and West Pakistan created initial challenges in terms of equitable resource distribution and representation. The dissolution of the One Unit Scheme (1955–1970), the separation of East Pakistan in 1971, and the promulgation of the 1973 Constitution were key events in shaping federal dynamics.

- **The 1956 and 1962, Constitutions** provided a semblance of federalism but lacked genuine decentralization.
- **The 1973 Constitution** formally established Pakistan as a federal parliamentary republic with four provinces, but strong central powers remained.
- **The 18th Constitutional Amendment (2010)** marked a significant shift by devolving substantial powers to provinces, especially in education, health, and local governance.

Contemporary Challenges to Federalism

ETHNIC AND LINGUISTIC DIVERSITY

Ethnic and linguistic diversity is a defining feature of Pakistan, and it has profound implications for the country's federal system. Pakistan is home to a myriad of ethnic groups, each with its own distinct cultural and linguistic identity. The major ethnic groups include Punjabis, Pashtuns, Sindhis, Baloch, Muhajirs (immigrants from India), and smaller communities such as Hazara, Kalash, and others. These ethnic groups speak a variety of languages, including Urdu, Punjabi, Pashto, Sindhi, Balochi, and numerous regional

dialects. The challenge for Pakistan's federal structure lies in managing this diversity in a way that promotes social cohesion, political stability, and equal representation for all groups.

ETHNIC AND LINGUISTIC TENSIONS AND FEDERALISM

Pakistan's federal structure has historically struggled to address ethnic and linguistic tensions. The centralization of power has often led to the domination of one ethnic group, particularly Punjabis, in national institutions, which has fueled resentment among other ethnic and linguistic groups. The failure to accommodate regional demands for cultural recognition and political autonomy has intensified these tensions. For example, the Baloch people have long sought greater autonomy and recognition of their distinct cultural and linguistic identity. The marginalization of Baluchistan, the country's largest province by area, in terms of political power and economic development, has led to a separatist movement, with the Baluchistan Liberation Army and other groups calling for independence or greater autonomy (International Crisis Group, 2016). Similarly, Pashtuns in Khyber Pakhtunkhwa have historically demanded more political control over their own affairs, citing issues of resource allocation and the protection of their linguistic rights.

Muhajirs, who migrated from India during partition, have also faced challenges in terms of linguistic and ethnic identity. The Muhajir community, primarily concentrated in urban areas like Karachi, has often found itself at odds with the local Sindhi population over issues of political representation and resource distribution (Rizvi, 2017). Tensions between Sindhis and Muhajirs have contributed to the rise of the Muttahida Qaumi Movement (MQM), a political party that represents the interests of Muhajirs in Karachi and other urban centers.

DEVOLUTION AND ETHNIC RECOGNITION

The 18th Amendment and the associated devolution of powers to provinces were steps toward recognizing the diversity of Pakistan's ethnic groups. However, while these reforms aimed to empower provincial governments, they have not fully addressed the challenges posed by ethnic and linguistic diversity. The amendment enhanced provincial autonomy but did not provide adequate mechanisms for the recognition of ethnic minorities within provinces (Zaidi, 2019).

For instance, despite the gains in provincial autonomy, provinces like Sindh and Khyber Pakhtunkhwa continue to struggle with balancing the demands of ethnic groups within their borders. In Sindh, Sindhi nationalists continue to demand greater control over the province's resources and governance, while the ethnic divisions between Sindhis and Muhajirs remain a significant source of tension (Shah, 2014). In Khyber Pakhtunkhwa, while Pashtun identity and language have been recognized to some extent, the dominance of Pashtuns in the provincial legislature has raised concerns among other ethnic minorities, such as Hazaras and Chitralis, who seek greater political representation.

FEDERALISM AND THE PATH TO UNITY

The effective management of ethnic and linguistic diversity requires a federal framework that not only empowers provinces but also provides safeguards for ethnic minorities. A truly inclusive federal system must ensure that all ethnic groups—regardless of their size or political power—have a voice in the political process. This requires both devolution of political and administrative authority and the protection of minority rights.

Further reforms are needed to ensure that linguistic minorities within provinces, such as Baloch, Pashtun, and Hindko speakers, are not marginalized. Linguistic diversity must be

reflected in public policies, educational curricula, and administrative practices to ensure that all citizens feel represented and empowered within the political system.

In conclusion, while Pakistan's federal system has the potential to manage its ethnic and linguistic diversity, it requires deeper reforms to ensure that all groups are equally represented and their cultural identities are respected. A federal system that accommodates ethnic and linguistic diversity can be a powerful tool for promoting national unity, social stability, and political cohesion in a country as diverse as Pakistan.

UNEQUAL RESOURCE DISTRIBUTION AND PROVINCIAL GRIEVANCES

One of the most persistent and destabilizing challenges within Pakistan's federal framework is the unequal distribution of resources among the provinces. Despite constitutional provisions and fiscal mechanisms like the National Finance Commission (NFC) Award, longstanding grievances persist over the perceived dominance of the central government and the inequitable allocation of revenues, natural resources, and development funds.

FISCAL CENTRALIZATION AND THE NFC CHALLENGES

Although the NFC is constitutionally mandated to ensure equitable distribution of financial resources between the federal government and the provinces, in practice, its awards are often delayed, politicized, or ineffectively implemented. The federal government retains control over most revenue streams, particularly through indirect taxation and federal excise duties—leaving provinces heavily dependent on federal transfers (Cheema et al., 2020). This undermines their fiscal autonomy and hampers their ability to plan and execute region-specific development projects. The Provinces like Baluchistan and Sindh have consistently argued that the NFC formula does not adequately compensate them for their contribution to national revenues—especially in terms of natural resource extraction. Baluchistan, rich in gas and minerals, has long claimed that it receives a disproportionately low share of royalties and development funding compared to its resource output. These grievances fuel distrust and have given rise to demands for increased provincial control over natural resources and revenue generation (ICG, 2016).

NATURAL RESOURCE OWNERSHIP AND FEDERAL CONTROL

The debate over resource ownership has been particularly contentious. Although the 18th Amendment sought to devolve certain powers over natural resources to the provinces, key sectors such as oil and gas remain under significant federal control through joint management structures that many provinces perceive as biased. The lack of transparency in federal resource agreements and limited provincial participation in decision-making processes further exacerbate tensions (Khan, 2014).

Sindh and Khyber Pakhtunkhwa have also raised concerns regarding the allocation of water from the Indus River System, accusing the federal government and Punjab of monopolizing water distribution. The failure to enforce the Water Apportionment Accord of 1991 and the absence of an effective conflict resolution mechanism have intensified inter-provincial mistrust and rivalry.

DEVELOPMENT DISPARITIES AND POLITICAL ALIENATION

The consequences of unequal resource distribution are evident in stark regional disparities in human development indicators, infrastructure, and service delivery. While Punjab—home to the political elite and administrative capital—has experienced significant investment and development, other provinces, particularly Baluchistan and the former tribal areas of Khyber Pakhtunkhwa, lag behind. This imbalance reinforces a sense of

political alienation and marginalization, especially among ethnic minorities, and feeds into ethno-nationalist narratives (Waseem, 2012).

Such disparities not only weaken national integration but also pose serious risks to political stability. Federalism, in this context, can become a tool of disintegration rather than cohesion unless accompanied by sincere efforts to redress economic inequalities and foster inclusive governance.

WEAK INSTITUTIONAL CAPACITY AT THE PROVINCIAL LEVEL

While constitutional reforms like the 18th Amendment significantly enhanced the autonomy of Pakistan's provinces, this devolution of power has often outpaced the institutional capacity of provincial governments. Many provinces, particularly those with historically underdeveloped administrative structures, have struggled to effectively manage the newly devolved responsibilities, resulting in governance deficits, inefficiencies, and public dissatisfaction.

CHALLENGES IN PUBLIC SERVICE DELIVERY

One of the most visible effects of weak provincial capacity is the deterioration in essential public services such as health, education, and water management. With the devolution of these sectors, provinces were expected to design, fund, and implement their own policies. However, the lack of qualified personnel, limited technical expertise, and inadequate infrastructure have often rendered provincial institutions incapable of fulfilling these roles effectively (Zaidi, 2019).

In provinces like Baluchistan and Khyber Pakhtunkhwa, where institutional development has historically lagged due to conflict and neglect, the administrative machinery remains fragile. This has led to uneven implementation of development projects, poor monitoring of service delivery, and a failure to translate autonomy into tangible improvements in citizens' lives (World Bank, 2018).

BUDGETING AND FINANCIAL MANAGEMENT DEFICITS

Despite increased fiscal transfers through the NFC Award, provincial governments frequently lack the capacity to manage budgets efficiently. Weak financial planning, low absorption capacity, and a limited tax base undermine their ability to raise revenues and allocate resources optimally. Moreover, corruption and poor transparency mechanisms further erode public trust in provincial institutions (Cheema et al., 2020). Additionally, many provincial departments rely heavily on outdated administrative practices, manual record-keeping, and centralized decision-making, which slow down processes and reduce responsiveness. The lack of institutional reform and modernization has impeded progress in governance and development, especially in rural and underserved areas.

CAPACITY GAPS IN LEGISLATIVE AND POLICY DEVELOPMENT

Provinces also face significant challenges in legislating and formulating policy post-devolution. The legislative assemblies, while more empowered on paper, often lack the research and technical support needed to draft effective laws. Policymaking remains reactive rather than strategic, and interdepartmental coordination is weak, leading to inconsistent policies and fragmented implementation (Shah, 2014). Moreover, the absence of strong civil service reforms and merit-based appointments in many provinces has hindered the development of a professional bureaucracy that can deliver on devolved mandates. Politicization of the bureaucracy and frequent transfers of officials disrupt institutional continuity and weaken administrative effectiveness.

IMPLICATIONS FOR FEDERALISM AND GOVERNANCE

The institutional weaknesses at the provincial level not only diminish the benefits of devolution but also provide justification for recentralization. Critics often point to provincial inefficiencies as evidence that devolution has failed, thereby threatening the future of federalism in Pakistan. However, the solution lies not in re-centralizing authority but in strengthening institutional capacity through targeted investments in human resources, infrastructure, accountability mechanisms, and governance reform.

If provincial governments are to play a meaningful role in Pakistan's federal structure, there must be a parallel focus on capacity-building, intergovernmental coordination, and institutional reform. Without this, the goals of autonomy, responsive governance, and regional equity will remain elusive. Effective federalism requires not only a clear distribution of powers but also robust mechanisms for coordination and cooperation among subnational units. In Pakistan, however, inter-provincial coordination remains a critical weakness, undermining national policy coherence, equitable resource distribution, and conflict resolution. The absence of strong institutional frameworks for collaboration has exacerbated regional tensions and hampered effective governance.

WEAKNESS OF THE COUNCIL OF COMMON INTERESTS (CCI)

The Council of Common Interests (CCI), established under Article 153 of the Constitution, is the primary institution tasked with resolving inter-provincial and federal-provincial disputes. Despite its constitutional mandate, the CCI has been underutilized and frequently sidelined in key national decisions. Meetings are often irregular, and its recommendations are not always implemented effectively (Shah, 2014). Provinces, especially those with opposition governments, have expressed frustration over the federal government's dominance in setting the agenda and decision-making processes within the CCI.

Moreover, the CCI's limited operational capacity and lack of transparency have further diminished its credibility. It often functions more as a ceremonial body rather than a platform for substantive federal dialogue, thus failing to prevent or resolve issues such as water disputes, energy sharing, or revenue allocation.

PERSISTENT DISPUTES OVER RESOURCES

Inter-provincial tensions over water distribution, natural resources, and development funding are long-standing and have worsened due to inadequate coordination mechanisms. The Indus River System is a major point of contention, with downstream provinces like Sindh accusing upstream Punjab of disproportionately consuming water resources and violating the Water Apportionment Accord of 1991 (Rizvi, 2017). The lack of a functional inter-provincial monitoring and dispute resolution body exacerbates these disagreements and fuels mutual distrust. Similarly, disagreements over electricity generation and distribution—particularly from hydropower projects located in Khyber Pakhtunkhwa and Gilgit-Baltistan—have created rifts between provinces and the federal government. Provinces have also contested issues like royalty payments, the location of energy infrastructure, and the allocation of development funds.

FRAGMENTED POLICY IMPLEMENTATION

In sectors such as education, health, and disaster management, inconsistent policy frameworks and weak coordination among provinces have resulted in inefficiencies and disparities. After the 18th Amendment, provinces were tasked with independently managing these sectors, but the absence of horizontal coordination has led to duplication of efforts, lack of standardization, and gaps in service delivery (Zaidi, 2019).

The COVID-19 pandemic illustrated these coordination challenges. Provinces implemented divergent policies on lockdowns, health protocols, and vaccine rollouts, leading to public confusion and undermining national efforts to contain the crisis. The failure to develop a unified response revealed the broader structural weaknesses in Pakistan's federal coordination architecture.

POLITICAL RIVALRIES AND FEDERAL FRAGMENTATION

Political competition between the ruling party at the center and opposition-led provincial governments often exacerbates coordination failures. Rather than functioning cooperatively, intergovernmental relations in Pakistan are frequently marked by confrontation and mistrust. This politicization of federalism disrupts communication and cooperation, particularly on national initiatives such as development planning and macroeconomic management (Waseem, 2012).

Without mechanisms for neutral, institutionalized coordination, the federal government and provinces often pursue conflicting agendas, further weakening governance and fueling public disillusionment with the state.

CIVIL-MILITARY IMBALANCE AND CENTRAL CONTROL

One of the most persistent structural impediments to federalism in Pakistan is the civil-military imbalance, which entrenches centralized control and undermines the constitutional distribution of power among federating units. The dominance of the military establishment in Pakistan's political and strategic affairs has had far-reaching implications for the development of democratic federalism and provincial autonomy.

HISTORICAL ROOTS OF MILITARY DOMINANCE

Since its inception, Pakistan has experienced repeated military interventions in politics, with direct military rule for nearly half of its post-independence history. The military's ascendancy in policymaking—especially in national security, foreign affairs, and even economic planning—has deeply influenced the country's political architecture. This dominance has created a "praetorian" state where military institutions overshadow civilian authority (Rizvi, 2000).

The military has traditionally favored a centralized state structure, which facilitates its control over national policy and strategic resources. This centralizing tendency has often been in tension with the constitutional principles of federalism and has contributed to provincial grievances, especially in regions like Baluchistan and Sindh, where calls for autonomy have been perceived as threats to national unity.

IMPLICATIONS FOR PROVINCIAL AUTONOMY

The military's influence in civilian governance often leads to the sidelining of elected provincial governments. For instance, military-led operations in Baluchistan and the former FATA regions have been carried out with limited provincial consultation. These interventions, while sometimes justified under security pretexts, have bypassed civilian and parliamentary oversight, thereby undermining the federal principle of provincial consent and self-governance (ICG, 2016).

Furthermore, federally administered initiatives such as the National Action Plan and large-scale development projects like the China-Pakistan Economic Corridor (CPEC) have seen military institutions play a leading role, often marginalizing provincial governments. The prioritization of military-led development and security agendas over local preferences has contributed to feelings of exclusion among provinces (Akhtar, 2018).

EROSION OF CIVIL INSTITUTIONS

The military's role in shaping domestic policy also affects the capacity of civilian institutions at both federal and provincial levels. Bureaucracies often align with military directives, leading to a weakening of legislative oversight, judicial independence, and local accountability. Provinces, therefore, find themselves not only constrained by federal authorities but also indirectly influenced by unelected military actors.

This imbalance discourages genuine devolution and undermines the spirit of participatory governance that federalism requires. Even after the 18th Amendment, many key decisions regarding internal security, resource control, and foreign investment are made at the federal level with little input from provincial governments.

CIVIL-MILITARY TENSIONS AND FEDERAL INSTABILITY

The lack of a clear demarcation between civil and military roles creates confusion and instability within Pakistan's federal structure. In moments of political crisis, the military has often acted as an arbiter or even as a substitute for civilian authority, thereby weakening democratic norms and provincial confidence in the federal system (Waseem, 2012). Civilian governments, fearing military pushback, may avoid assertive stances on federal issues, leaving provincial demands unresolved.

This civil-military imbalance also distorts electoral politics, as political parties may align themselves with or oppose military interests, not necessarily based on federalist ideals, but strategic calculations. As a result, meaningful reforms in intergovernmental relations are often stalled.

REFORMS AND FEDERAL ADJUSTMENTS

THE 18TH AMENDMENT: DEVOLUTION OF POWER AND ITS LIMITATIONS

The 18th Constitutional Amendment, enacted in April 2010, represents a watershed moment in Pakistan's federal history. It was designed to correct the long-standing imbalance between the center and the provinces by devolving a wide range of legislative, administrative, and financial powers. The amendment abolished the Concurrent Legislative List and transferred 17 ministries, including health, education, environment, and culture, to the provincial governments (Waseem, 2012). This structural shift aimed to deepen democratic governance, enhance provincial autonomy, and respond to decades of centralization and inter-provincial grievances. One of the most significant outcomes of the 18th Amendment was the redefinition of federalism in practice. By strengthening Article 153 and enhancing the role of the Council of Common Interests (CCI), it provided a constitutional platform for collaborative governance between the federation and provinces (Yusuf, 2015). Additionally, it reaffirmed the principle of fiscal federalism, emphasizing the need for regular National Finance Commission (NFC) awards to ensure equitable distribution of resources.

Despite these gains, the implementation of the amendment has been fraught with limitations. First, institutional and administrative capacities at the provincial level have remained weak. Most provinces were unprepared to take on the complex responsibilities associated with the devolved subjects, leading to inefficiencies and governance gaps (Nizamani & Naqvi, 2020). For instance, in sectors like education and health, disparities in standards and policy approaches have emerged across provinces, compromising national cohesion.

Second, there remains a reluctance within the federal bureaucracy and political elite to fully embrace devolution. The federal government has often continued to exercise informal influence in devolved areas through funding channels, parallel structures, or

withholding regulatory authority. Additionally, the failure to convene the NFC on time and the federal encroachment on provincial subjects have fueled tensions, particularly among smaller provinces (International Crisis Group, 2015).

The CCI, intended as the principal mechanism for resolving intergovernmental disputes, has also been criticized for its irregular meetings, lack of transparency, and limited decision-making authority. Without robust enforcement mechanisms or institutional independence, it has struggled to function effectively (Ahmed, 2018).

In summary, while the 18th Amendment remains a landmark effort to operationalize federalism in Pakistan, its full potential is yet to be realized. Political will, institutional reforms, and capacity building are essential to make devolution meaningful and sustainable. Without addressing these structural issues, the promise of cooperative federalism may remain aspirational.

ROLE OF THE COUNCIL OF COMMON INTERESTS (CCI)

The Council of Common Interests (CCI) is a constitutionally mandated body established under Article 153 of the 1973 Constitution of Pakistan, tasked with resolving intergovernmental disputes and facilitating coordination between the federation and the provinces. It is a key institution in Pakistan's federal structure, designed to ensure cooperative governance and protect provincial autonomy, especially in matters involving shared responsibilities.

Following the passage of the 18th Amendment in 2010, the role of the CCI was significantly enhanced. It was made a permanent body with the requirement to meet at least once every 90 days and was placed directly under the authority of the Parliament rather than the executive (Waseem, 2012). The amendment also expanded its jurisdiction, giving it greater oversight over subjects that had been devolved from the Concurrent List, including electricity, water, oil, natural gas, and planning for development (Ahmed, 2018). In principle, the CCI provides a forum for dialogue, negotiation, and consensus building among the federal and provincial governments. It is composed of the Prime Minister (as Chairperson), the four Chief Ministers, and three members nominated by the Prime Minister from the federal cabinet, ensuring representation of both levels of government (Yusuf, 2015). This composition is meant to balance federal authority with provincial input.

However, in practice, the performance of the CCI has been inconsistent. Despite the constitutional requirement, its meetings have often been irregular and delayed, undermining its effectiveness. Moreover, the federal government has frequently been accused of dominating the agenda and outcomes of the CCI, thereby diluting its cooperative spirit (International Crisis Group, 2015). Issues such as water sharing, electricity distribution and resource management have continued to generate conflict among provinces, with limited resolution through the CCI mechanism.

Furthermore, the lack of a permanent secretariat and institutional autonomy hampers the CCI's operational capacity. Its decisions, though binding under Article 154, often suffer from poor implementation due to weak enforcement mechanisms and limited follow-up (Sattar, 2020). These challenges highlight the need for institutional strengthening and political commitment to make the CCI a more effective pillar of federalism in Pakistan, the CCI is central to Pakistan's intergovernmental framework, its potential remains underutilized. Regularizing its functions, depoliticizing its processes, and ensuring transparency and enforcement of its decisions are vital steps toward enhancing federal cohesion and political stability.

NATIONAL FINANCE COMMISSION (NFC) AWARD

The National Finance Commission (NFC) Award is a constitutionally mandated mechanism under Article 160 of the 1973 Constitution of Pakistan that governs the distribution of financial resources between the federal government and the provinces. It is one of the cornerstones of fiscal federalism, aiming to ensure equitable revenue sharing in a country marked by regional disparities, diverse population densities, and varying levels of development. The NFC Award is announced periodically, with the objective of revising the revenue-sharing formula based on evolving economic, social, and political realities. Historically, the federal government retained a dominant share of national revenues, leading to provincial grievances over inadequate fiscal autonomy. The seventh NFC Award, announced in 2009, marked a major shift in this pattern. For the first time, the provinces' collective share of the divisible pool increased significantly from 47.5% to 56% in the first year and 57.5% thereafter (Malik, 2010).

One of the key features of the seventh NFC Award was the adoption of a multi-criteria distribution formula among provinces. Unlike the earlier population-only criterion, the new formula included population (82%), poverty/backwardness (10.3%), revenue generation/collection (5%), and inverse population density (2.7%) (Ahmed & Ahmad, 2010). This formula was widely hailed as a move toward a more equitable and needs-based resource allocation model. However, the NFC Award process has faced significant challenges in recent years. No new award has been announced since 2009, despite constitutional provisions requiring regular revisions. Successive governments have failed to achieve consensus among stakeholders, largely due to competing interests between the center and provinces, and among the provinces themselves (Zaidi, 2019). The growing fiscal deficit, security expenditures, and debt servicing pressures have led the federal government to resist further devolution of financial resources.

Moreover, the implementation of the NFC Award is undermined by weak provincial capacity to generate own-source revenues. Provinces remain heavily reliant on federal transfers, which limits their fiscal autonomy and accountability. There is also little progress in reforming the horizontal distribution criteria to better reflect changing socio-economic dynamics (Cheema et al., 2020). In essence, while the NFC Award is a critical component of Pakistan's federal structure, its stagnation since 2009 and the absence of a fresh formula underscore the fragility of fiscal federalism. Regular, transparent, and inclusive NFC deliberations are essential for sustaining provincial trust and ensuring the financial viability of a decentralized governance model.

LOCAL GOVERNMENT REFORMS: PROVINCIAL RESISTANCE VS. GRASSROOTS EMPOWERMENT

Local government reforms in Pakistan have long been entangled in a power struggle between provincial elites and grassroots aspirations for participatory governance. Although local governance is essential for strengthening democracy, improving service delivery, and fostering accountability, its institutionalization has been inconsistent and heavily influenced by political expediency. The 18th Amendment further complicated this landscape by devolving responsibility for local government systems to the provinces, giving them greater control over their structure, powers, and tenure (Cheema, Khan, & Myerson, 2010).

While the constitutional requirement under Article 140A mandates each province to establish elected local governments with political, administrative, and financial authority, implementation has been uneven. Most provinces have resisted meaningful devolution to

the local level, perceiving local governments as threats to their political influence and resource control (ICG, 2015). As a result, local bodies are often delayed, dissolved prematurely, or rendered ineffective through restrictive laws and limited fiscal powers. This resistance undermines the promise of grassroots empowerment. Local governments, when functional, have the potential to address community-specific needs, increase citizen engagement, and serve as a training ground for democratic leadership (Shah, 2006). However, the lack of fiscal autonomy, frequent administrative interference, and inconsistent electoral cycles have eroded public trust and weakened their capacity to deliver.

Punjab and Khyber Pakhtunkhwa have seen relatively more proactive reform efforts, particularly under pressure from civil society and judicial activism. However, even in these cases, local governments operate within tightly constrained mandates, with little control over development funds or policy decisions. Conversely, in Sindh and Baluchistan, provincial governments have been more overt in curbing the powers of local bodies, using legal and administrative tools to centralize control (Ahmed, 2019).

The politicization of local government design often tailored to serve ruling party interests further limits its effectiveness. Instead of fostering inclusive and participatory governance, reforms are often implemented in a top-down manner, bypassing genuine consultation with local stakeholders, the constitutional framework provides for a vibrant local government system, provincial resistance continues to stifle grassroots empowerment in Pakistan. For federalism to be truly participatory and sustainable, the provinces must be held accountable to not only create but also empower and protect local democratic institutions.

JUDICIAL INTERPRETATIONS AND CONSTITUTIONAL ENFORCEMENT

The judiciary plays a pivotal role in interpreting the Constitution and enforcing federal principles in Pakistan's complex multi-tiered system. In theory, the superior judiciary—especially the Supreme Court—is entrusted with upholding the constitutional balance between the federation and the provinces, resolving intergovernmental disputes, and ensuring that devolutionary reforms are implemented in spirit as well as in form. Over the years, however, judicial engagement with federalism in Pakistan has been selective and, at times, inconsistent. While the courts have occasionally asserted the primacy of constitutional provisions protecting provincial autonomy, they have also demonstrated a tendency to defer to executive authority, particularly in politically sensitive cases (Khan, 2014). For instance, judicial activism under Chief Justice Iftikhar Chaudhry expanded the judiciary's role in public affairs, but did not always translate into strong enforcement of federalism-related norms.

One of the most significant areas of judicial interpretation pertains to the enforcement of the 18th Amendment. While the judiciary has generally upheld the constitutional validity of the amendment, its role in ensuring effective implementation especially in disputes over jurisdiction and intergovernmental conflict has been limited. In several instances, provincial complaints over federal encroachment into devolved sectors have failed to result in clear judicial directives, reflecting institutional hesitancy to challenge central authority (Yusuf, 2015). Moreover, constitutional bodies like the Council of Common Interests (CCI) and the National Finance Commission (NFC) have not always received the judicial attention required to enforce their mandates rigorously. The lack of judicial follow-up on the binding nature of CCI decisions and delayed NFC awards underscores the gaps in constitutional enforcement. In this regard, some legal scholars

argue for a more proactive judicial posture that can reinforce cooperative federalism and serve as a neutral arbiter in intergovernmental disputes (Siddique, 2021). At the same time, the judiciary's role must be balanced to avoid judicial overreach that could undermine democratic processes. The challenge lies in crafting a jurisprudence of federalism that is principled, consistent, and grounded in the constitutional ethos of shared governance.

FEDERALISM AND POLITICAL STABILITY

IMBALANCED FEDERAL STRUCTURE CONTRIBUTES TO INSTABILITY

Pakistan's federal structure has historically exhibited a pronounced imbalance between the central and provincial governments, which has been a persistent source of political instability and regional discontent. From the early years of independence, centralization of authority—both political and fiscal—led to the marginalization of smaller provinces and the concentration of power in Punjab and the federal capital. This imbalance has fueled perceptions of exclusion and inequity, particularly in provinces such as Baluchistan, Sindh, and Khyber Pakhtunkhwa (Waseem, 2012).

The over-centralization of key policy areas, control over natural resources, and uneven fiscal allocations have resulted in recurring inter-provincial tensions and weakened national integration. These structural disparities have also given rise to ethno-nationalist movements and demands for greater autonomy, sometimes taking the form of separatist sentiments or violent conflict, as seen in Baluchistan (ICG, 2016). The failure to adequately accommodate diversity within a cooperative federal framework undermines democratic consolidation and deepens institutional fragility.

The delayed or inconsistent implementation of constitutional reforms such as the 18th Amendment, the lack of regular National Finance Commission (NFC) updates, and the weakening of local governments have compounded this instability. Provinces often view the federal government as unresponsive or intrusive, particularly when national policies overlook regional needs or bypass provincial institutions (Cheema, Khan, & Patnam, 2020). Moreover, central dominance in revenue collection and development planning limits the provinces' ability to govern effectively and foster local ownership of public policies. A balanced federal system—one that respects the autonomy of constituent units while maintaining national cohesion—is crucial for political stability. Without structural and procedural reforms to rebalance center-province relations, Pakistan risks continued cycles of political friction, governance breakdowns, and regional unrest.

POLITICAL PARTIES AND THEIR FEDERAL VS. UNITARY TENDENCIES

The role of political parties in shaping federalism in Pakistan has been both influential and contradictory. While political rhetoric often supports decentralization and provincial autonomy, actual practices of major parties frequently reflect unitary tendencies, particularly when in power at the federal level. This dichotomy has weakened the institutionalization of federalism and contributed to recurring tensions between the center and the provinces. Historically, parties such as the Pakistan People's Party (PPP) and the Pakistan Muslim League-Nawaz (PML-N) have supported federalism in principle, especially when in opposition, but have often centralized authority once in government. For instance, while the PPP was instrumental in passing the 18th Amendment in 2010, which significantly enhanced provincial autonomy, it has also been criticized—particularly in Sindh—for concentrating power within the provincial executive and undermining local governments (Ahmed, 2019).

The PML-N, which has a strong base in Punjab, has traditionally favored a more centralized governance model. Critics argue that its policies have often privileged Punjab's interests,

exacerbating perceptions of regional imbalance (Waseem, 2012). The party's reluctance to strengthen local governance, especially during its federal tenure, underscores a preference for top-down control over genuine devolution. In contrast, smaller regional parties such as the Baluchistan National Party (BNP), Awami National Party (ANP), and Muttahida Qaumi Movement (MQM) have consistently advocated for stronger federalism and provincial rights. However, their limited influence in national politics often prevents them from shaping the broader federal agenda. These parties reflect the regional aspirations of their constituencies and highlight the importance of accommodating ethnic and provincial identities within a cohesive federal framework (Shah, 2014).

Pakistan Tehreek-e-Insaf (PTI), which emerged as a national party with significant provincial control in Khyber Pakhtunkhwa and later in Punjab, initially pledged reforms to strengthen local governments and federal institutions. However, its actual governance showed mixed results. While some decentralization was attempted in Khyber Pakhtunkhwa, the party centralized power in Punjab during its rule and delayed local government elections, mirroring patterns seen in earlier regimes (Yusuf, 2020). The inconsistency between party platforms and actions reveals a broader challenge: the politicization of federalism and the instrumental use of decentralization based on political convenience. Without a cross-party consensus and institutional commitment to federal principles, Pakistan's federal structure remains vulnerable to manipulation by ruling elites.

IMPACTS ON DEMOCRACY, GOVERNANCE, AND CONFLICT RESOLUTION

The imbalance in Pakistan's federal structure has profound implications for the country's democratic processes, governance quality, and conflict resolution mechanisms. The centralization of political and financial power has often undermined democratic values at the grassroots level, weakening the accountability of elected officials and limiting citizen participation. Conversely, federalism—when implemented effectively—can enhance democracy by promoting local representation, fostering political pluralism, and improving governance through decentralization.

IMPACT ON DEMOCRACY

In a federal system, local governments are expected to be the cornerstone of democratic engagement, as they are closest to the people. However, Pakistan's experience with federalism has been marred by political manipulation of local governments, undermining their capacity to function effectively. The frequent dissolution of local bodies by provincial governments and the inconsistent implementation of local government laws have hindered the development of a participatory political culture. As a result, citizens are often disconnected from the decision-making processes that directly affect their lives, leading to lower levels of trust in democratic institutions (Cheema, 2011).

Moreover, the concentration of political power in a few central political elites—often from one or two provinces—has exacerbated regional disparities, contributing to feelings of alienation and disillusionment, especially in resource-rich but politically marginalized provinces like Baluchistan and Sindh. This centralization undermines the very foundations of representative democracy, which relies on broad political inclusion and equal participation across regions.

IMPACT ON GOVERNANCE

In terms of governance, the lack of clear division of powers between the federal and provincial governments has led to inefficiencies, overlapping responsibilities, and policy paralysis. The 18th Amendment was a step toward resolving these issues by devolving powers to the provinces, but the limited capacity of provincial governments to manage

newly devolved functions has led to inefficiencies in service delivery, particularly in sectors like education, health, and infrastructure (Zaidi, 2019). Additionally, the weak fiscal autonomy of provinces has restricted their ability to finance essential services, further exacerbating governance challenges. Pakistan's governance system is also undermined by the ad-hoc nature of local government reforms and the politicization of federalism. This results in a fragmented system where policy coherence is often lacking, and where provincial governments operate in a siloed manner, often at odds with federal policies. This lack of coordination undermines the efficiency and effectiveness of governance, as local and provincial priorities do not always align with national goals (Shah, 2014).

IMPACT ON CONFLICT RESOLUTION

The imbalanced federal system has also had a profound effect on conflict resolution. Federalism, in theory, can offer a platform for peaceful negotiation and conflict resolution between different ethnic, regional, and political groups. In Pakistan, however, federal structures have often failed to provide an effective mechanism for addressing the grievances of marginalized provinces and regions. The centralized nature of decision-making has often led to the neglect of issues such as resource distribution, cultural recognition, and political autonomy, fueling separatist sentiments and inter-provincial conflicts, especially in Baluchistan and parts of Sindh (International Crisis Group, 2016).

While the Council of Common Interests (CCI) theoretically provides a platform for intergovernmental dialogue, its infrequent meetings and lack of enforcement mechanisms have made it ineffective in resolving conflicts. Moreover, the political exploitation of regional issues by national parties has often escalated tensions rather than facilitating solutions. Without a truly cooperative federalism framework, the capacity of Pakistan's federal system to manage internal conflict and promote social cohesion remains severely limited.

POLICY RECOMMENDATIONS

- Strengthen Local Governments: Revive and empower local government systems to decentralize authority further.
- Revise the NFC Formula: Introduce dynamic revenue-sharing mechanisms based on needs and performance.
- Enhance Provincial Capacities: Invest in institutional development, especially at the provincial level.
- Ensure Civilian Supremacy: Strengthen democratic institutions to balance civil-military relations.
- Activate the Council of Common Interests: Institutionalize regular meetings and follow-ups for collaborative governance.
- Strengthening intergovernmental mechanisms
- Reinvigorating local governments
- Ensuring fair resource allocation
- Judicial and constitutional clarity
- Civil-military equilibrium

CONCLUSION

Federalism in Pakistan remains an unfinished project. While significant reforms like the 18th Amendment have laid the groundwork for decentralization, persistent structural, institutional, and political obstacles hinder its full realization. A reformed and inclusive federal system is essential not only for addressing regional disparities but also for ensuring

long-term political stability and democratic governance in Pakistan. Federalism in Pakistan, while constitutionally enshrined and significantly restructured through the 18th Amendment, remains fraught with structural, political, and institutional challenges. From inter-provincial coordination failures and unequal resource distribution to civil-military imbalances and the resurgence of sub-nationalism, the Pakistani federation struggles to operate in the spirit of cooperative governance. The devolution of power, though a landmark reform, has exposed provincial weaknesses in institutional capacity and highlighted the absence of robust mechanisms for intergovernmental coordination and accountability. Moreover, the dominance of the central government often reinforced by military influence continues to limit meaningful provincial autonomy, undermining the federal balance. Political parties frequently oscillate between federalist rhetoric and centralist behavior depending on their position in power, weakening democratic consistency. Ethnic, linguistic, and regional grievances further exacerbate this instability, revealing deep fissures in national cohesion.

For Pakistan to achieve political stability and inclusive development, federalism must evolve beyond legal frameworks and be underpinned by genuine political will, institutional strengthening, and a commitment to pluralism. Strengthening the Council of Common Interests, reforming the National Finance Commission, empowering local governments, and depoliticizing civil-military relations are essential steps. Equally important is the need to respect and integrate diverse regional identities into the federal fabric not as threats, but as sources of democratic strength. Only through an equitable, inclusive, and participatory federal system can Pakistan overcome its long-standing governance deficits and move toward a more stable and united future.

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