

A Comparative Study of Provincial Autonomy and Economic Independence of Khyber Pakhtunkhwa: pre and post 18th Amendment

Rabia Salim^{1*}, Dr Sadia Fayaz²

^{1*}MPhil Scholar at Department of Political Science (session 2019-20), Shaheed Benazir Bhutto Women University Peshawar. Salimrabia70@gmail.com

²Assistant Professor Department of Political Science, Shaheed Benazir Bhutto Women University Peshawar. Email: sadiafayaz@sbbwu.edu.pk

Abstract:

The 18th Constitutional Amendment signaled a major turning point in Pakistan's constitutional history by enhancing democracy and transferring power to lower levels of government. The purpose of this amendment was to give provinces more ability to solve their problems more effectively. But even after more than ten years, questions remain, and there is ongoing discussion about the federal government's involvement in the process. The performance of the 18th Amendment is critically examined in this study, with a focus on how it affects Khyber Pakhtunkhwa's economic independence and provincial autonomy. This study is qualitative in nature using both primary and secondary data. The report discusses the difficulties Khyber Pakhtunkhwa has encountered in accomplishing genuine province autonomy and the desired results of the amendment.

Keywords: 18th Constitutional Amendment, Provincial Autonomy, Economic Independence, Khyber Pakhtunkhwa.

Introduction

The 18th Amendment in Pakistan marked a significant turning point in the country's political system. It was initiated by the Charter of Democracy, signed by former Prime Ministers Nawaz Sharif and Benazir Bhutto in London in May 2006. The Charter aimed to bring about four main objectives: amending the 1973 constitution, establishing a code of conduct, ensuring free and fair elections, and improving civil-military relations. (Dawn, May 16, 2006). The 2008 general elections saw the PPP emerge with the highest number of seats in the National Assembly.

Under the chairmanship of Senator Raza Rabbani, the Special Parliamentary Committee for Constitutional Reforms (SPCCR) comprising 27 members from various political parties worked tirelessly to draft the constitutional amendment. The Eighteenth Constitutional Amendment Bill garnered more than the required two-thirds majority in the National Assembly and was unanimously approved by the Senate on 8th April 2010. (IPC, 2023).

The 18th Amendment involved examining 102 articles, leading to significant reforms in Pakistan's political system. It aimed to strengthen provincial autonomy by reallocating subjects between the Federal Legislative List-I (FLL-I) and Federal Legislative List-II (FLL-II). This included transferring electricity to FLL-II and granting provinces greater authority over hydro-electric power plants and oil wellhead earnings. The Provinces were also given the ability to raise funds from both domestic and global markets (Article 167). (IPC, 2023).

The amendment provided the provinces with equal ownership of natural gas and mineral oil within their territories (Article 172 Section 3). It abolished the Concurrent Legislative List (CLL), further empowering the provinces and increasing their legislative and executive authority over natural resources.

The 18th Amendment addressed resource distribution between the Federal Government and Provincial Governments through the National Finance Commission (NFC). The seventh NFC Award was established in 2010 after a fourteen-year hiatus, focusing on population growth, poverty, and revenue generation for resource allocation. The agreement made in the 7th NFC Award ensures that the specified province's share cannot be reduced in future NFC agreements, as per Article 160 of the Constitution. (IPC, 2023).

Overall, the 18th Amendment brought about significant changes in Pakistan's political landscape, strengthening provincial autonomy and resource management. The agreement reached on the NFC Award ensured a fair distribution of resources based on key indicators, promoting equitable development across the country.

Provincial Autonomy and Economic Independence Prior to the 18th Amendment:

Prior to the enactment of the 18th amendment, the constitutional landscape bore the scars of Military rule. The Constitution underwent modifications via Presidential orders and Chief Executive Orders, both formal and informal, an undesirable interference that deviated from the original intent established when the constitution was unanimously adopted by elected representatives in 1973. In this context, the 18th Amendment was formulated to reinstate the essence of the Constitution in its unadulterated form (Kundi, 2023).

The era preceding the 18th amendment was characterized by a pervasive sense of discontent and marginalization experienced by various ethnic groups. The central government's dominance over crucial decision-making processes and resource allocation fostered perceptions of inequitable treatment and restricted autonomy for ethnic enclaves. Political authority was concentrated within the grasp of a dominant ethnic faction, resulting in a dearth of representation and acknowledgment for the diverse identities and aspirations of other ethnic communities.

The clamor for decentralization, heightened provincial autonomy, and safeguarding ethnic rights was paramount, ultimately culminating in the implementation of the 18th amendment as a response to address these concerns and foster a more inclusive, pluralistic political milieu (Khan, A. 2023).

Necessary consensus among all four provinces was a prerequisite for the adoption of the 18th amendment, which aimed to bestow autonomy upon these provincial entities (Khan, K. 2023).

Prior to the 18th Amendment, Pakistan's political structure epitomized a centralized federal framework. The President wielded substantial powers, encompassing the authority to dissolve the National Assembly, dismiss the Prime Minister, and appoint pivotal government officials.

Preceding the 18th Amendment's implementation in 2010, Pakistan was characterized by a centralized governance model wherein the federal government held sway over most key powers. This systemic setup granted limited autonomy to the provinces, rendering them reliant on the central government for both financial sustenance and policy formulation. This resulted in uneven allocation of resources and opportunities across the nation (Khan, Z. 2023). A conflictual dynamic between the central government and regional entities was a prevalent concern (Afridi, 2023).

The intent behind the 18th Amendment was to counterbalance the extensive powers amassed by the presidency during the tenures of former leaders General Pervez Musharraf and General Muhammad Zia-ul-Haq. The amendment sought to quell political instability in Pakistan and to curtail presidential dominance (Shinwari, 2023). The pre-amendment period was marked by a centralization of power in favor of the federal government, marginalizing provincial autonomy and fostering dependency. This top-heavy governance structure impeded equitable resource distribution and limited regional decision-making authority (Nawaz, 2023).

The provinces operated within confined autonomy, heavily reliant on the central government for policy formulation and financial provisioning. The 18th Amendment heralded substantial transformations within the Pakistani constitution, aspiring to decentralize authority and augment provincial sovereignty. Key elements characterizing the pre-18th Amendment milieu encompassed: Power Concentration, Provincial Autonomy, Presidential Powers, and Concurrent Legislative List (Afghan, 2023).

The pre-amendment constitutional framework included two legislative lists: The Federal and the Concurrent. The former delineated domains wherein the federation was authorized to legislate, while the latter pertained to matters that fell within the legislative purview of both the provinces and the federation. The 18th Amendment abolished the Concurrent List, confining the federation's authority exclusively to the subjects enumerated in the Constitution's 4th schedule. All other matters became the sole prerogative of provincial administrations (Ghafoor, 2023).

Khyber Pakhtunkhwa, preceding the 18th amendment, grappled with economic and fiscal constraints stemming from its pronounced reliance on the federation. The majority of its resources were classified under the Federal or Concurrent Lists, impeding efficient tax collection and revenue generation. The financial allotment for Khyber Pakhtunkhwa remained modestly above 100,000 million in the years prior to the 18th amendment, a figure that has since grown exponentially, expanding more than sevenfold in recent years (Jan, 2023).

The Eighteenth Amendment, ratified on April 8, 2010, precipitated substantial shifts within Pakistan's power dynamics. This amendment entailed pivotal alterations, including the cessation of the President's authority to dissolve the Parliament, the relaxation of term limits for the Prime Minister, the renaming of the North-West Frontier Province as Khyber Pakhtunkhwa, the curtailment of courts' endorsement of constitution suspensions, the establishment of a judicial commission for judges' appointments, and the removal of the President's power to appoint the head of the Election Commission. Additionally, the amendment elevated provincial autonomy, negating the President's unilateral capacity to impose emergency rule within any province. This amendment was overwhelmingly supported by major political parties and bore significant implications for the balance of power, democratic institutions, and rule of law within the country (Khatak, 2023).

Critics, however, raised concerns about potential repercussions, positing that the amendment could weaken the federal government, impeding its ability to address national issues. Some also cautioned against the emergence of instability and inter-provincial conflicts as a result of the decentralization of authority. Despite these apprehensions, the amendment has largely realized its objectives. The Parliament has remained intact since its passage, the Prime Minister's terms have been extended within the bounds of legality, and the provinces have gained enhanced autonomy without major inter-provincial conflicts. Consequently, the Eighteenth Amendment stands as a significant stride toward restoring power equilibrium, reinforcing provincial autonomy, and upholding the rule of law, substantively enhancing Pakistan's democratic and stable footing (Khatak, 2023).

In light of the diverse viewpoints and expert opinions presented above, the situation of smaller provinces prior to the 18th Amendment emerges as a deeply concerning and marginalized state. These provinces lacked the privileges and prerogatives subsequently conferred by the 18th Amendment. The amendment's historic role in Pakistan's constitutional evolution is undeniable, affording previously oppressed communities a sense of security and renewed status as first-class citizens. Though the complete realization of these granted rights by the masses remains a work in progress, the 18th Amendment instills a beacon of hope for their full realization in the future.

Comparative Analysis of Pre and Post-18th Amendment Provincial Autonomy and Economic Independence in Khyber Pakhtunkhwa

This research conducts a comprehensive analysis of the transformation in provincial autonomy and economic independence in Khyber Pakhtunkhwa (KP) before and after the 18th Amendment. The 18th Amendment aimed to restore the Constitution to its original form and addressed the concept of Fiscal Federalism, marked by the removal of the Concurrent List from the fourth schedule. This research aims to highlight the contrasts in KP's autonomy and economic self-reliance in the periods preceding and following the 18th Amendment.

Pre-18th Amendment Scenario in KP:

KP faced significant limitations concerning provincial autonomy and economic self-sufficiency before the 18th Amendment. The central government exercised substantial control over decision-making, resource allocation, and policy execution. This hindered KP's ability to govern itself independently and focus on its distinct developmental priorities. The 18th Amendment, enacted with the objective of enhancing provincial autonomy, has since catalyzed substantial changes in this landscape.

Post-18th Amendment Shifts:

The 18th Amendment introduced a significant shift towards amplified provincial autonomy in KP. By devolving substantial powers and responsibilities to provinces, including KP, in legislative matters, fiscal management, and resource utilization, the amendment enabled greater self-governance. This empowerment equips provinces to tailor policies and allocate resources based on the specific needs and aspirations of their populations.

Regarding economic independence, the 18th Amendment granted KP more control over its economic resources and decision-making. KP gained the authority to generate and manage revenue while shaping economic policies that align with its unique socio-economic context. This newfound autonomy enables KP to focus on vital sectors, propelling economic growth and enhancing living standards for its residents.

The 18th Amendment significantly transformed KP's landscape by bolstering its provincial autonomy and economic independence. This transformation equips KP with greater self-governance, enabling tailored policies and resource allocation. Simultaneously, economic autonomy empowers KP to drive economic growth by harnessing its resources and fostering sectorial development. While progress has been made, the full realization of economic independence remains a journey of multifaceted challenges and initiatives.

By comparing the pre and post-18th Amendment eras, it becomes evident that the 18th Amendment played a vital role in shaping KP's autonomy and economic standing, positioning the province for enhanced self-reliance and sustainable development.

While some experts affirm the increase in economic autonomy due to the 18th Amendment (Ghafoor, 2023), others express reservations about its complete realization (Khan, A. 2023). Despite the amendment's intentions of granting economic autonomy, the reality for KP remains a mix of progress and dependency (Khan, K. 2023).

Implementation of Provincial Autonomy under the 18th Amendment in Khyber Pakhtunkhwa

This section evaluates the effective implementation of provincial autonomy as mandated by the 18th Amendment in Khyber Pakhtunkhwa (KP). While the 18th Amendment aimed to grant provinces more autonomy, the actual realization of this autonomy remains a topic of scrutiny.

Challenges in Implementation:

Despite the constitutional provision, the practical implementation of provincial autonomy in KP has faced challenges. A key hurdle has been the lack of institutional capacity and resources to fully exercise the devolved powers. This has hindered the province's ability to utilize the newfound autonomy to its full potential.

Diverse Perspectives:

Opinions on the extent of implementation vary. Some experts acknowledge progress in implementing provincial autonomy (Afghan, 2023; Ghafoor, 2023), while others highlight the need for further realization (Khan, K. 2023; Nawaz, 2023). The challenges persist, especially concerning KP's rightful share of resources and royalties.

There have been efforts to transfer legislative authority and financial autonomy to KP. The amendment has indeed empowered the province with greater control over sectors like education and health (Khatak, 2023). However, the extent to which the true spirit of provincial autonomy has been achieved remains a matter of ongoing debate and exploration.

The 18th Amendment aimed to strengthen provincial autonomy, but its full implementation in Khyber Pakhtunkhwa has encountered challenges. While steps have been taken to devolve powers and resources, there's a need for sustained efforts to ensure that the province can effectively exercise its autonomy for the benefit of its people.

Economic Independence under the 18th Amendment in Khyber Pakhtunkhwa

This section evaluates the economic independence achieved in Khyber Pakhtunkhwa (KP) following the implementation of the 18th Amendment. The amendment aimed to bolster provincial economic autonomy through the redistribution of financial resources and enhanced decision-making authority.

Economic Impact of the 18th Amendment in Khyber Pakhtunkhwa

The 18th Amendment to the Constitution of Pakistan had a significant impact on the economic landscape of Khyber Pakhtunkhwa (KP). By devolving fiscal powers to the provincial level, KP gained greater control over its financial resources

and the ability to design and implement tailored economic policies. The 18th Amendment has also helped to reduce KP's reliance on federal funding. This has given the province greater financial autonomy and flexibility, allowing it to pursue economic policies that are more aligned with its regional needs.

Empowerment through Devolution:

The amendment facilitated the formulation of development plans that addressed regional disparities and capitalized on economic potential. KP's government obtained the authority to allocate funds for crucial sectors, stimulating targeted investments and development endeavors in areas such as education, health, infrastructure, and agriculture.

Diverse Perspectives:

Experts vary in their assessment of the extent of economic independence achieved. Some affirm positive outcomes (Afghan, 2023; Ghafoor, 2023), highlighting an increased share of resources and greater tax autonomy. Others emphasize ongoing challenges in full implementation (Jan, 2023; Khan, Z. 2023).

The 18th Amendment indeed enhanced KP's economic independence by granting more control over financial resources and policy decisions. While progress has been made, challenges persist in realizing the full potential of this economic autonomy. Overall, the amendment has laid the foundation for KP to pursue self-sustained economic growth and development.

Impact of 18th Amendment on Tourism in KP

This section delves into the ramifications of the 18th Amendment on the tourism industry in Khyber Pakhtunkhwa (KP). The amendment's aim to empower provinces has significantly affected the development and promotion of tourism in the region.

Enhanced Autonomy and Influence

The 18th Amendment, geared towards decentralization, has bestowed KP with substantial authority to shape and execute policies related to tourism. This empowerment has enabled the provincial government to tailor strategies to the unique cultural, historical, and natural attractions of KP, fostering growth in the tourism sector.

Strategic Initiatives and Progress

Leveraging this newfound autonomy, KP has undertaken initiatives to enhance its tourism potential. Notably, investment in infrastructure, preservation of heritage sites, promotion of eco-tourism, and the establishment of tourism and economic zones have played a pivotal role in driving the expansion of the tourism industry.

Mixed Perspectives

While many experts concur on the positive impact of the amendment (Afghan, 2023; Ghafoor, 2023), the degree of its influence varies. Some underscore the shift from concurrent to full provincial autonomy in tourism (Sarwar, 2023; Khan, K. 2023), while others emphasize the ongoing need for comprehensive implementation (Jan, 2023).

Prospects and Challenges

The 18th Amendment has not only facilitated KP's journey towards harnessing its tourism potential but also highlighted challenges. Coordination between the government and private sector, alongside security concerns, necessitates focused attention for the sustainable growth of the industry (Khatak, 2023).

Incorporating the principles of decentralization, the 18th Amendment has given KP the impetus to capitalize on its unique tourism assets. The strategic focus on tourism, coupled with greater autonomy, positions KP to flourish in the sector, fostering economic growth and presenting a window of opportunity for the province's economic prosperity.

Impact of 18th Amendment on Economic Development of Khyber Pakhtunkhwa

This section explores the effects of the 18th Amendment on the economic development of Khyber Pakhtunkhwa (KP). The amendment's goal of granting more autonomy to provinces has led to diverse impacts on KP's economic growth.

Enhanced Vertical Share and Financial Devolution:

The 18th Amendment brought about significant changes, including an increased vertical share for provinces through the 7th NFC Award, rising from 49% to 57%. This shift aimed to ensure greater financial devolution and revenue distribution to the provinces, bolstered by Article 160(3A) (Kundi, 2023).

Positive Impacts on Economic Development

The 18th Amendment to the Constitution of Pakistan has had a significant impact on Khyber Pakhtunkhwa's (KP) economic development. The devolution of powers from the federal to provincial level has granted KP greater autonomy in making decisions that shape its economic landscape. This has enabled the provincial government to tailor policies that cater to the unique economic needs and opportunities of KP. The provincial government has strategically focused on sectors such as agriculture, manufacturing, tourism, and natural resource utilization. These policies have stimulated investment, competitiveness, and job creation, contributing to economic vibrancy. Specifically, the devolution of fiscal powers has allowed KP to invest more heavily in these key sectors. For example, the provincial government has increased spending on agricultural research and development, which has helped to improve crop yields and farm productivity. KP has also invested in infrastructure development, such as roads and irrigation systems, which has made it easier for businesses to operate and transport goods. In addition, the provincial government has implemented a number of policies to promote investment and

job creation. For example, KP has established special economic zones that offer tax breaks and other incentives to businesses. The provincial government has also launched a number of programs to train and support entrepreneurs. (Integrated Development Strategy 2014-18).

As a result of these efforts, KP's economy has grown significantly in recent years. The province's GDP growth rate has outpaced the national average, and unemployment rates have fallen. KP is now one of the most economically vibrant provinces in Pakistan.

Resource Management and Revenue Generation

Furthermore, the 18th Amendment has facilitated KP's exploration and utilization of its natural resources, including minerals and hydrocarbons. With a more significant say in resource exploration, licensing, and utilization policies, the provincial government has harnessed these assets to drive economic growth and generate revenue.

Challenges and Outlook

While the 18th Amendment has undeniably enhanced KP's economic development prospects, its impact is intertwined with various factors. The effectiveness of governance, administrative capacity, security conditions, infrastructure development, and external economic dynamics play pivotal roles in realizing economic potential. The province's proactive approach in capitalizing on the opportunities unlocked by the amendment remains critical to fostering sustainable economic growth and development (Afghan, 2023).

The 18th Amendment's influence on KP's economic development is discernible through its increased fiscal autonomy, tailored policies, and resource management. By granting the province greater control over its economic affairs, the amendment has laid the groundwork for economic diversification, infrastructural improvement, and resource-driven growth. However, the full realization of these benefits hinges on robust governance and the strategic utilization of newfound powers to drive economic prosperity in Khyber Pakhtunkhwa.

This section delves into the consequences of the 18th Amendment on the economic development landscape of Khyber Pakhtunkhwa (KP). The implementation of this amendment has ushered in various changes that have had both positive and challenging effects on the province's economic growth trajectory.

Empowerment through Legislative Changes

The implementation of the 18th Amendment brought with it a series of modifications to the Federal Legislative List-II, or Shared Responsibility. Among these, the inclusion of "Supervision and management of Public debt" added to KP's financial autonomy. Furthermore, the return of the General Sales Tax from the Federal Legislative List-I to the provinces, particularly KP, has resulted in a noteworthy annual revenue increase of around \$30-40 billion (Kundi, 2023).

Positive Economic Changes

The 18th Amendment to the Constitution of Pakistan has had a significant impact on the economy of Khyber Pakhtunkhwa (KP). The devolution of powers to the provincial level has afforded KP greater control over its economic affairs. This has enabled the provincial government to formulate and implement policies that are tailored to the unique economic needs and priorities of the region.

One of the most significant changes has been the focus on untapped sectors, such as agriculture, manufacturing, tourism, and natural resource development. This has allowed the provincial government to strategize and implement measures that encourage investment, foster competitiveness, and generate employment in these sectors. As a result, KP has witnessed a surge in economic activity, infrastructure enhancement, and economic diversification (Khan, K. 2023).

Implementation Challenges

Despite these advancements, there remain certain hurdles that have hindered the full realization of the expected economic development. Implementation challenges and bottlenecks have, to some extent, impeded the seamless execution of the 18th Amendment's economic provisions. These challenges underscore the importance of continuous efforts to align policies and strategies to the amendment's objectives (Sarwar, 2023).

Economic Dynamics between the Federal Government and Khyber Pakhtunkhwa After the 18th Amendment

This section delves into the intricate economic interplay between the federal government and the provincial government of Khyber Pakhtunkhwa (KP) following the enactment of the 18th Amendment. This constitutional amendment has brought about pivotal changes that influence the economic partnership and autonomy of KP.

Empowerment through Constitutional Revisions:

A salient hallmark of the 18th Amendment is the elimination of the Concurrent List from the Fourth Schedule. This alteration has significantly contributed to both the political and financial autonomy of KP. Moreover, the safeguarding of the Provinces' share via Article 160(3A) has emerged as a critical milestone for bolstering financial security (Kundi, 2023).

Transformative Impact on Economic Relations

The economic fabric of Khyber Pakhtunkhwa (KP) has undergone substantial alterations in the wake of the 18th Amendment, reshaping the dynamics of its financial rapport with the federal government. The empowerment of KP through devolution has precipitated an evolution in the way economic decisions are made and resources are allocated between the two levels of governance. With the devolution of fiscal and administrative powers, this empowerment has enabled the provincial

government to address its unique economic challenges and prioritize its development agenda. For example, KP has invested heavily in education, healthcare, and infrastructure, which has led to improved economic outcomes for its citizens. Overall, the 18th Amendment has had a positive impact on the economics of KP. It has empowered the provincial government to take greater ownership of its economic development and to pursue policies that are more responsive to the needs of its citizens. (Khan, A. 2023).

Complexities and Challenges

Nevertheless, it's imperative to recognize that the execution of the 18th Amendment has introduced intricacies and challenges to the relationship between the federal and provincial governments concerning economic matters. The redistribution of responsibilities and resources mandates a concerted effort in coordination, collaboration, and, at times, negotiation, to ensure effective economic management and the equitable distribution of resources (Khan, Z. 2023).

Harmonizing Economic Priorities

While the constitutional framework has provided KP with a greater say in economic matters, certain hurdles in practical implementation persist. The amendment aims to harmonize economic priorities and synergize fiscal responsibilities between the federal government and KP. However, it's evident that translating these objectives into seamless practice necessitates concerted efforts and synchronization of intent (Sarwar, 2023).

In essence, the 18th Amendment has introduced transformative shifts to the economic relationship between the federal government and the government of Khyber Pakhtunkhwa. KP's heightened autonomy has led to a more nuanced and empowered approach to economic decision-making, allowing the province to wield greater control over its economic destiny. Although challenges remain, the amendment has heralded a new era of collaboration and negotiation, where the federal and provincial governments endeavor to strike a balance that paves the way for shared economic growth and prosperity.

The Impact of the 18th Amendment on Fiscal Resources and Foreign Trade/Investment in Khyber Pakhtunkhwa

Fiscal Resources

The 18th Amendment stands as a pivotal moment in Khyber Pakhtunkhwa's (KP) fiscal landscape. By reinforcing key platforms such as the Council of Common Interests (CCI), National Economic Council (NEC), and National Finance Commission (NFC), this amendment has decisively addressed the longstanding quest for provincial autonomy that endured for over a century. Bolstering these forums has empowered provinces, including KP, to take an active role in decisions pertaining to fiscal federalism. This proactive engagement in interprovincial financial affairs equips KP with an indispensable level of financial autonomy, essential for its growth and progress. Through these avenues, KP is now better poised to ensure fiscal federalism and assert its financial independence, ushering in a new era in the province's economic landscape (Kundi, 2023).

Foreign Trade/Investment:

The 18th Amendment's influence on KP's capacity to attract foreign trade and investment is multi-faceted. Envisioned to amplify provincial autonomy, the amendment has provided KP's administration with heightened control over economic determinations. While this empowerment could facilitate the tailoring of policies and regulations to promote foreign trade and investment, it is essential to acknowledge that the success of attracting foreign engagement surpasses autonomy alone. A medley of factors, encompassing political stability, security, infrastructure advancement, business-friendly policies, legal frameworks, skilled human resources, and market access, collectively define KP's appeal for foreign trade and investment. While the amendment has paved the way for KP to shape its economic course, cultivating an inviting investment climate necessitates concerted endeavors across diverse sectors and dimensions (Khan, A. 2023).

The implications of the 18th Amendment on fiscal resources and foreign trade/investment in KP are intricate and transformative. While the amendment undeniably bequeaths provinces with heightened autonomy and decision-making prerogatives, its comprehensive impact is shaped by a myriad of interacting variables. The fortification of forums has provided KP with opportunities to assert its fiscal sovereignty; nevertheless, the realization of this autonomy is intricately tied to effective governance, capacity enhancement, and transparency mechanisms. Similarly, although the amendment has established a framework for KP to amplify its foreign trade and investment potential, the province's global allure hinges on a gamut of determinants transcending legislative reforms. In essence, the amendment lays the groundwork for progress, yet its complete fruition demands holistic strategies, effective governance, and unwavering dedication (Afghan, 2023).

Achievement of Goals in Khyber Pakhtunkhwa under the 18th Amendment

The evaluation of the fulfillment of objectives within Khyber Pakhtunkhwa (KP) following the enactment of the 18th Amendment necessitates a thorough examination of its outcomes and implications. This amendment aimed to bolster provincial autonomy and enhance the economic independence of KP. However, the extent to which these goals have been attained is subject to an array of considerations.

Autonomy and Empowerment

The 18th Amendment set out to decentralize political, administrative, and fiscal powers to provinces, including KP. The intention was to mitigate centralized authority, enabling provincial governments to make decisions that cater to their individual jurisdictions. This amendment conferred upon KP greater control over legislative, administrative, and financial domains, facilitating the formulation of policies aligned with its specific needs. Nonetheless, the full realization of autonomy hinges on

multifaceted variables, encompassing implementation levels, intergovernmental relations, institutional capabilities, and political dynamics. Challenges like conflicts between federal and provincial entities, bureaucratic impediments, and fiscal limitations have, at times, impeded the complete actualization of autonomy for KP. (Khan, A. 2023).

Economic Independence

In the realm of economic independence, the 18th Amendment aimed to furnish KP with the tools to chart its own path towards self-sufficiency. By equipping provincial authorities with more authority in matters of fiscal resource allocation, the amendment envisaged a trajectory that empowers KP to address its economic challenges according to its unique circumstances. However, the amendment alone cannot be solely credited for achieving full economic independence. Factors such as resource availability, infrastructure development, business-friendly policies, market access, and political stability collectively contribute to KP's economic outlook. The success of attracting investment and fostering economic growth relies on navigating these myriad factors. (Kundi, 2023).

Assessment

In essence, the 18th Amendment laid the groundwork for KP's advancement in autonomy and economic independence. While it provided a platform for greater autonomy, its effective implementation and ultimate impact are contingent upon addressing the challenges and complexities intrinsic to the process. Similarly, the achievement of economic independence demands a multi-pronged approach, encompassing not only the amendment itself but also a host of determinants that contribute to the province's economic vibrancy. The fulfillment of these goals requires strategic planning, resource allocation, institutional strengthening, and cooperation between federal and provincial entities.

In conclusion, the journey towards fully realizing the objectives set by the 18th Amendment in KP is ongoing. While this amendment has undoubtedly provided avenues for autonomy and economic self-sufficiency, it remains a collective endeavor involving both provincial and federal stakeholders, as well as proactive measures to overcome the challenges that accompany such transformative endeavors.

Impact of 18th Amendment on Allocation of Khyber Pakhtunkhwa's NFC Award Share

The 18th Amendment brought about notable changes in the distribution of financial resources among provinces, impacting Khyber Pakhtunkhwa's (KP) share in the National Finance Commission (NFC) Award. It's essential to assess the implications of this amendment on KP's NFC allocation.

NFC Award Framework

The NFC Award operates as a means to justly apportion financial resources among Pakistan's provinces, considering factors like population, revenue generation, and developmental requirements. The 18th Amendment's aim to enhance provincial autonomy bears relevance for the NFC allocation. The determination of whether KP has indeed received its complete NFC share involves scrutinizing the actual fund distribution against the province's entitlement based on the agreed-upon formula. However, it's vital to recognize that the NFC Award is a dynamic process influenced by political negotiations, economic factors, and regional disparities. (Kundi, 2023).

Complexities and Dynamics:

Assuring the fulfillment of KP's NFC share encompasses a complex interplay of dynamics. The NFC Award is a product of discussions and agreements involving federal and provincial stakeholders, including the Council of Common Interests (CCI). These negotiations account for fiscal capacity, revenue generation, and province-specific requirements. Nonetheless, the allocation of NFC shares is not a straightforward process. Challenges may arise due to delays in fund disbursement, data accuracy disputes, and changes in the distribution formula over time.

In conclusion, the aftermath of the 18th Amendment on KP's NFC share necessitates a nuanced understanding of the complex factors at play. While the amendment aimed to bolster provincial autonomy and ensure an equitable distribution of resources, the realization of this intent encounters hurdles during the NFC allocation process. Transparency, accountability, and effective coordination among stakeholders are crucial in ensuring the fair disbursement of funds to KP and other provinces. It's pivotal to consider the intricate nature of resource allocation and the challenges intertwined with it in determining whether KP's NFC share has been fulfilled post the 18th Amendment. (Kundi, 2023).

Allocation of Fiscal Resources under the 18th Amendment:

The 18th Amendment brought about changes in the allocation of fiscal resources among provinces in Pakistan, aiming to enhance provincial autonomy. This change is evident in the allocation of resources to Khyber Pakhtunkhwa (KP). However, examining whether KP has received its designated share of fiscal resources requires a detailed understanding of the distribution mechanism.

Allocation Framework

Under the 18th Amendment, KP was entitled to a vertical share of 57% in fiscal resources after tax collection. This percentage was established in the 7th NFC Award prior to the amendment. Additionally, the horizontal distribution among federating units was determined by four indicators: population (82%), poverty/backwardness (10.3%), revenue collection (5%), and inverse population density (2.7%). This mechanism resulted in KP receiving 14.62% from the vertical share. Furthermore, KP received an additional 1% from the Net Divisible Pool as a contribution for its efforts in the war on terror. (PIDF Working Paper 2011).

Implementation and Challenges

While the 18th Amendment provided a framework for resource allocation, the actual disbursement of these funds involves various complexities. The allocation of fiscal resources is determined through the National Finance Commission (NFC) Award, which factors in variables like population, revenue generation, and developmental needs. The NFC Award is a dynamic process influenced by political negotiations, economic considerations, and regional disparities. Challenges may arise due to the intermittent release of funds, disputes over data accuracy, and changes in the distribution formula over time.

In conclusion, the 18th Amendment has implications for the allocation of fiscal resources to KP. While the amendment laid out a framework for resource distribution, the actual allocation depends on the NFC Award negotiations and various factors that influence resource sharing. To determine whether KP has received its designated share, comprehensive data on resource distribution, adherence to agreed-upon formulas, and transparent processes are essential. Upholding transparency, accountability, and coordination among stakeholders will ensure the equitable distribution of fiscal resources, in alignment with the principles of the 18th Amendment. Ongoing monitoring and effective implementation are vital to ensure that KP receives its rightful share and that the autonomy and financial empowerment goals of the 18th Amendment are realized (Khan, Z. 2023).

Comparison: Managing Provincial-Federal Dynamics Post-18th Amendment

The post-18th Amendment landscape in Pakistan is marked by heightened tensions between federal and provincial authorities, driven by a prevailing sense of deprivation among provinces. Efforts have been undertaken to amend the constitution and empower provinces, aiming to address these grievances. However, the extent of authority allocated to provinces and the federal government remains a contentious issue, contributing to ongoing disputes. While the federal government grapples with the diverse demands of provinces, some provinces perceive themselves as receiving inadequate resources and autonomy. (Khan, Z. 2023).

Resource Management and Allocation

The efficient management, taxation, and distribution of natural resources have long posed challenges in Pakistan's governance. Political considerations have impeded the effective implementation of resource-related policies. The allocation and compensation issues surrounding natural resources have sparked disputes among provinces, further intensifying inter-provincial rivalries. The geographic and economic complexities of resource rents complicate the establishment of uniform regulations. For instance, the concentration of gas production and tax bases in sparsely populated Baluchistan has complicated the distribution of natural resource rents. Debates around surcharges, gas royalties, and wellhead pricing have emerged, emphasizing the intricacies of resource sharing. (Khan, Z. 2023).

Impacts of the 18th Amendment

The passage of the 18th Amendment was viewed as a step towards enhancing provincial autonomy and redistributing authority from the federal government to provinces. While this was seen as a positive development, Khyber Pakhtunkhwa (KP) expressed reservations about the process. Despite its potential benefits, KP called for a comprehensive devolution strategy, encompassing economic devolution and equitable resource allocation. Previously, provinces lacked ownership rights over their natural resources, but the 18th Amendment granted them ownership. However, the federal government still retains power over policy-making institutions.

Resource Allocation Concerns:

KP's discontent with the federal government post-18th Amendment is rooted in the perceived inequitable allocation of financial resources and authority. Disputes between KP and the federal government hinge on sharing financial assets. The National Finance Commission (NFC) Award, designed to allocate financial resources between the federal government and provinces, has become a subject of contention. KP contends that its smaller size, resource constraints, and heightened security issues necessitate a larger share of federal funds. Additionally, KP seeks a more substantial share of revenues generated from its natural resources. (Kundi, 2023).

Resource Allocation Criteria

The criteria for resource allocation from the divisible pool have long stirred controversy. The 7th NFC award primarily considered population, without incorporating international best practices. Despite subsequent modifications to include more comprehensive criteria, the temporary nature of these awards has strained the federal-provincial relationship. This contentious landscape has deepened KP's perception of federal disregard and mistreatment.

Water Resources and Regional Control

Water resources and the construction of the Kalabagh Dam have remained contentious issues between the federal government and KP. The proposed dam, intended to benefit Punjab, has raised environmental and safety concerns, leading all provinces to oppose its construction. KP's quest for a fair share of royalties from its natural resources has fueled autonomist sentiments and strained its relationship with the federal government. (Kundi, 2023).

Institutional Frameworks and Representation

Institutional frameworks like the National Economic Council (NEC) and the Council of Common Interests (CCI) have not fully addressed KP's concerns. The NEC's shift post-18th Amendment resulted in a power imbalance, with provinces gaining

control over the power ministry while the federal government retained tax collection authority. KP believes it is underrepresented on these councils, leading to unaddressed concerns and imbalanced resource allocation.

Conclusion

In conclusion, the post-18th Amendment era necessitates effective collaboration between the federal and provincial governments to address KP's challenges and ensure the nation's stability and prosperity. The amendment was a step towards devolution and empowerment, but the unresolved issues surrounding resource allocation, representation, and autonomy continue to strain inter-provincial relationships. Collaborative negotiations and comprehensive solutions are required to establish equitable distribution of resources and authority among provinces, reinforcing the integrity of the nation

References

1. Afridi, F. (June 1, 2023). Lawyer in Peshawar High Court & Political Activist in PTM. Personal Communication.
2. Afghan, T. (June 16, 2023). Lawyer at Peshawar High Court. Personal Communication.
3. Dawn. (May 16, 2006). Text of the Charter of Democracy. <https://www.dawn.com/news/192460/text-of-the-charter-of-democracy>.
4. Ghafoor, R. (May 21, 2023). Journalist at DAWN News Peshawar. Personal Communication.
5. Integrated Development Strategy 2014-18. <https://lgkp.gov.pk/wp-content/uploads/2014/08/Integrated-Development-Strategy.pdf>.
6. IPC.(2023).<https://www.ipc.gov.pk/siteimage/misc/files/year%20books/final%20report%20of%20implementation%20commission.pdf>.
7. Jan, W. (May 18, 2023). Lecturer at Department of Political Science, Government post Graduate College Dargai. Personal Communication.
8. Khatak, N. H. (May 17, 2023). Journalist and reporter at BBC and Afghanistan TV. Personal Communication.
9. Khan, A. (May 26, 2023). Lawyer at Peshawar High Court. Personal Communication.
10. Khan, A. (May 13, 2023). PhD Scholar at Quaid e Azam University & Lecturer in NUML. Personal Communication
11. Khan, K. (May 19, 2023). Lawyer and E President PSF University of Peshawar. Personal Communication
12. Khan, Z. (May 12, 2023). Professor in Department of Sociology at University of Peshawar. Personal Communication.
13. Kundi, K. A. (May 14, 2023). Former MPA of Pakistan People's Party. Personal Communication.
14. Nawaz, S. (May 12, 2023). Professor at Department of Political Science Islamia University Peshawar. Personal Communication.
15. PIDE Working Paper 2011, <https://file.pide.org.pk/pdfpideresearch/wp-0073-fiscal-federalism-in-Pakistan-the-7th-national-finance-commission-awardand-its-implications.pdf>.
16. Sarwar, A. (May 15, 2023). Section officer at Secretariat. Personal communication.
17. Shinwari, A. S. (June 15, 2023). Journalist and Reporter in DAWN News Paper. Personal Communication.