

Provincial Rights and Responsibilities

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Abstract

This article suggests that Pakistan requires a different development paradigm. The analysis begins by giving a quick overview of some of the larger economies of the region and assesses the divisions that have developed between the people as a result of national strategies. The paper goes on to present a brief history of the previous attempts at decentralization in Pakistan and a discussion of how these were thwarted. This is followed by a discussion of how decentralization can be successful in Pakistan after the 18th Amendment and the 7th NFC Award.

Keywords: Development, policy, decentralization, Pakistan.

JEL Classification: O20, H77, O23.

I. Introduction

The main purpose of this brief presentation is to suggest that Pakistan needs a different development paradigm to deal with its many economic, social, and political problems. It needs to be different from the one followed in recent years which, after several years of high growth, plunged the country into a deep crisis. This manifested itself in many different ways. The rate of economic progress slowed down, the incidence of poverty increased, and domestic terrorism increased to the point that almost all foreign travel has stopped. An environment has been created in which inter-regional, intra-provincial, inter-economic classes, and sectarian conflicts have risen to the surface. These have come with heavy economic, social, and political costs that will further set back progress on a number of different fronts. An important part of my suggested paradigm is the notion that one way of rebalancing the economy and the social and political systems is to bring government closer to the people. This will take more than one amendment to the constitution that

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was thoroughly disfigured by a number of authoritarian rulers that governed the country for long periods of time. Decentralization is one of the outcomes of the 18th Amendment but it will need much more than that to address the problems the country faces today. Highlighting these and suggesting some ways of dealing them is the main theme of this paper. I will divide my paper into several parts as follows:

- A quick overview of the performance of the economy by comparing it with some of the other large economies in the region. Here, I will provide some assessment of the divisions that have been sharpened among the regions and between the people as a consequence of the strategy that was followed.
- A brief history of how previous attempts to decentralize the authority of the government were thwarted by a succession of leaders and some of the institutions that have dominated the Pakistani political scene.
- An indication of what needs to be done in order to make decentralization work now that some of the constitutional impediments have been removed by the 18th Amendment.
- Identification of some of the lessons the country can learn from the performance of other large federal systems in the world.

II. Pakistan's recent economic performance and the need for a new development paradigm

Pakistan is an economic mess today. It is falling behind other large Asian countries with every passing day. In 2010, the Chinese economy is likely to expand at rate of 8.8 percent; India's by 6.7 percent. Both countries will most likely improve on these rates in 2011. The Chinese gross domestic product (GDP) is set to grow by at least 10 percent; India's by 8.8 percent. In the years that follow, according to the budget statement made by Finance Minister Pranab Mukerjee in late February, India hopes to climb onto a growth trajectory that will deliver GDP increases of 10 percent a year for several years. With the population increasing by 1.4 percent a year and declining, GDP per capita will increase by at least 8.6 percent a year, doubling every eight years. Both countries have achieved these extraordinary results by integrating in different ways parts of their economies with the

global system. Even Bangladesh, once called the world's basket case,¹ is doing better than Pakistan.

In Pakistan, the situation is very different. The GDP in 2009/10 increased by only 2 percent, one of the lowest in history. This increase in national output was slightly more than the increase in population which the government estimates at 1.8 percent. This means that the incidence of poverty must have increased significantly. The country probably added another 5 million people to the pool of poverty, bringing its total to 65 million. This translates into 38 percent of the population of 170 million. In the current year, the government says that the GDP increase will be a little higher, perhaps 3 percent. This may just be enough to keep the total number of poor at 65 million. In the years ahead, the rate of growth may begin to increase, bit by bit, reaching 5 percent in five years. The rates of growth achieved by China and within striking distance for India are not in the cards for Pakistan. At 5 percent GDP growth per year, the poverty pool may begin to shrink a little but not by a huge amount.

These are national averages; the overall GDP growth is being helped by more rapid increase in some sectors and in some geographical areas. Conversely, there are parts of the country and some sectors of the economy that are doing considerably less well than average for the country. Among the better performing areas are perhaps Karachi, Lahore, Islamabad, and central Punjab. Among the poorly performing regions are rural Sindh, southern Punjab, and most of Balochistan and Khyber-Pakhtunkhwa.

What these numbers paint for us is an exceptionally grim picture. It is the picture of a country that is unable to provide adequately for more than three-fourths of its population, most of whom—but not all—live in backward areas. About 40 million out of 170 million people in Pakistan have now succeeded in keeping their living standards from falling. Of these, about 15 million have improved their economic situation in spite of the sluggish economy. If this is the right representation of the changes in the social and economic structure of the population, it appears that the income distribution in the country must have widened.

We can, in other words, slice Pakistan and its people in two different ways. Geographically, there are three areas—backward, stable, and relatively prosperous—in the country. Karachi, Lahore, Islamabad, Faisalabad, and Hyderabad and the countryside in central Punjab fall in the

¹ The term was used by the US Secretary of State Henry Kissinger shortly after Bangladesh gained independence.

category of prosperous. Even in these there are pockets of extreme poverty. The middle-sized cities of the Punjab and lower Sindh can be regarded as stable. Most of the rest of the country can be considered backward although even here there are pockets of prosperity. The other way of slicing is to use some rough measure of income. Some 15 million can be regarded as rich, another 25 million as belonging to the upper middle class, another 65 million fall in the category of the lower middle class; the remaining 65 million are desperately poor.

Putting these two pictures together produces a canvass that begins to explain the persistence of militancy and insurgency against the established order in the country. We know from the profiles of the people—men, boys, women, and girls—who were persuaded to wear suicide bomb belts that they come from backward areas and belong to the lower middle class. They have been indoctrinated by those who have chosen to opt out of the state and challenge the governing order from outside the system. They are prepared to use whatever will do the most damage to the existing order, create the most noise, and produce the greatest amount of publicity for their cause. Their cause is to produce a new political, economic, and social order that is to their liking.

How can this situation be addressed? The use of force is one part of the solution and it has begun to show some results in the areas of the country where it was applied. But the difficult part is the effort to bring the disaffected into the mainstream of economics and politics. To achieve the latter, Pakistan must move toward a new development paradigm. The one I have in mind has several elements of which the following four are particularly important. The first is improving the quality of governance. The second focuses on improving the country's resource situation. The third would provide the young with education and skills they can use to enter the economic and social mainstreams. The fourth is to make Pakistan a functioning part of the global economic and political system.

There is some progress in the first—the need to improve the quality of governance and bring the state closer to the people. The 18th Amendment to the constitution has done more than go back to the original system. The 1973 constitution provided the country with a federal system in which the provinces were to have considerable authority over economic issues. This was a promise that was to be fulfilled after a period of political maturation which was defined as ten years. The subjects over which the provinces were to exercise total control were lumped together in the “concurrent list” over which during the interim period both the central government and the provinces were to share responsibility.

III. Some historical background

Most of the press coverage of the 18th Amendment tabled before the National Assembly on 1 April concerned the division of power between the president and the prime minister. Since the constitution of 1973 established a parliamentary form of government in the country, it has been the contention of those who favored a reduction in the authority of the president that executive authority must reside in the parliament. That was the intention of the framers of the constitution. However the parliament's powers were repeatedly usurped by the governments dominated by the military. Through constitutional amendments or simply by practice, the president became the chief executive of the Pakistani state. The 18th Amendment seeks to correct that anomaly by restoring the powers given to parliament under the 1973 constitution. At this point it might be useful to pause and provide a brief historical background to the evolution of Pakistan's constitution with respect to provincial rights.

What has escaped notice by most analysts and commentators is another part of the offered amendment: a significant increase in the powers of the federating provinces. That was also the intention of the original constitution. The failure to run a federal system was the main reason for the break-up of Pakistan in 1971 and the emergence of Bangladesh as an independent state. This fact was in the minds of the framers of the 1973 constitution. They were also concerned with the fact that the country that emerged after 1971 had one very large province—the Punjab—in the federation. It could—and perhaps would—dominate the federation even more than was the case in 1947-1971 when Bangladesh, as East Pakistan, was part of Pakistan. Then in terms of the country's total population, the share of the Punjab was about 30 percent. It was slightly more than that in terms of its contribution to the country's GDP. With the departure of East Pakistan, these ratios had climbed to 60 percent. Accordingly, the smaller provinces demanded that their rights should be protected in the new state that was being organized after the breakup of the original Pakistan.

This was ensured in the form of several constitutional provisions. Without these, it is unlikely that Zulfikar Ali Bhutto, who was then president and chief martial law administrator, would have won the support of all the provinces to the constitution that he and his advisors put in front of the politicians. One important provision in the draft that was considered was the inclusion of a "concurrent list" that included the subjects that would be the joint responsibility of the federal government and the provinces. The constitution had two lists, one for federal subjects and the other that were the joint responsibility of the federal government and the

provinces. The concurrent list included matters—47 in number—such as civil and criminal law, preventive detention, arms and explosives, drugs, marriage and divorce, adoption, bankruptcy, arbitration, trusts, transfer of property and registration of property, population planning, electricity, tourism, trade unions, and other matters of common interest.

The constitutions also had provisions for the settlement of disputes between the governments at federal and provincial levels. The chief justice of the Supreme Court was assigned the responsibility for arbitrating these disputes. The president could establish a Council of Common Interests (CCI) to deal with matters identified in both the federal as well as the concurrent list. According to Hamid Khan, a prominent constitutional authority, “this was meant to be an important body for the provinces to air their grievances. If the federal government or a provincial government was dissatisfied with the decision of the Council, it could refer the matter to parliament for a joint sitting (of the two houses), whose decision would be final.”²

There was no list of subjects for the provinces, the assumption being that all the residual areas would be taken care of by the provinces. Bhutto and his colleagues reached an understanding that the concurrent list would be removed from the constitution ten years after its promulgation. That, of course, did not happen and the country continued to be run from the center at Islamabad. Under the 18th Amendment, there is once again a promise that decentralization will be achieved not just on paper but also in practice.

The country has also attempted to bring government closer to the citizenry by constituting local bodies directly elected by the people. A number of different systems have been tried since the country gained independence but did not survive long enough to provide services that only local governments can effectively deliver. The most recent of these attempts were made by the government headed by President Pervez Musharraf that provided the stool of governance with its third leg—governments at the local level. The design that was incorporated in the ordinance issued in 2001 by the president drew inspiration from the system of “basic democracies” put in place in 1962 by General Ayub Khan, Pakistan’s first military president. For reasons why the president made the “basic democracies” the cornerstone of his political structure there is no better source than his autobiography.³

² Hamid Khan, *Constitutional and Political History of Pakistan* (Karachi, Oxford University Press, 2001), p. 495.

³ Muhammad Ayub Khan, *Friends not Masters, A Political Autobiography* (London, Oxford University Press, 1967).

There is a default constitutional condition in Pakistan; the country reverts periodically to a highly centralized system of management. It has happened during periods of military rule as well as when politicians with strong popular backing were in power. The military accustomed to a centralized command and control system of management was not willing to devolve power to other institutions that could possibly challenge its authority. Strong political men and women who have governed Pakistan were equally reluctant to share power. This trend started with Zulfikar Ali Bhutto who did not fully subscribe to the spirit of the constitution he had helped write and was responsible for having it accepted by all major parties. He began to subvert the constitution the moment it was promulgated. The provisions that came under attack were precisely those that were meant to create a functioning federal state. Once the constitutional dust had settled, the prime minister turned his attention to removing administrations that were not in the control of his political party, the Pakistan People's Party (PPP). These were in Balochistan and the then North West Frontier Province (NWFP).

The 18th Amendment does more than repeal the Seventeenth Amendment that had given enormous authority to the president. It also removes the clutter that had accumulated in the constitution as a result of tinkering by two military leaders, first President Ziaul Haq and then President Pervez Musharraf. Will the passage of this amendment ensure Pakistan's move towards making parliament sovereign and introducing genuine federalism in the country? Only time will answer this question. As has been shown by the experience of several other federal systems, decentralization of power to governments at the sub-national level takes more than provisions in the constitution. Ultimately it depends upon how various parts of the government structure act out their roles.

There cannot be any doubt that the 18th Amendment will have a profound impact on the way Pakistan's economy is managed. If the federating units—the provinces—receive additional powers as a result of the abolition of the concurrent list put into the 1973 constitution by its framers, it will mean transferring large amounts of economic authority to the provinces. They will, for instance, have the right to manage labor laws, the environmental impact of development in both the public and the private sectors of the economy, the generation of much larger amounts of electricity than currently permitted, the development of infrastructure, the movement of goods and commodities within their own boundaries, improving the level of education, and providing for the acquisition of usable skills by the populace. This will happen only if the provinces find a way of financing these activities. If they remain dependent on the central government for

funds, the autonomy promised by the amendment will remain illusory. What is the meaning of the 18th Amendment for economic decentralization?

IV. Will the 18th Amendment deliver decentralization?

While Pakistan may be on the way toward establishing not only a fully democratic system with political authority vested in a directly elected parliament, it may also be moving toward the creation of a truly federal system in which power is shared between governments at different levels—between the federal and provincial governments and between provincial and local governments. If this happens, what will be the impact on the economy and on delivering services to the people? The answer to this question has been provided by many theoretical and empirical studies done over the years by scholars from both developed and developing countries. While many benefits have been claimed for federalism, it is “paradoxical that that we observe so few countries in the world which possess all the attributes of a strong federalist structure,” writes Dennis C. Mueller of the University of Vienna.

There are two possible explanations for this paradox. First, there may also be several disadvantages associated with federalism, so many that for most countries the disadvantages outweigh the advantages. Thus full blown federalism may be rare, because in fact it is undesirable. The second possible explanation for federalism’s rarity is that it is somehow inherently unstable. When it is chosen, it fails to survive, not because of any fundamental difficulty in the outcome it produces, but because of the existence of forces in a democracy which undermine it.⁴

To explain the case for federalism, we should perhaps start with why the state is involved in economic matters in the first place. The main case for this is made in the public choice literature according to which markets fail in many situations particularly when public goods such as defense of the borders or police protection or a bridge connecting two places across a river are to be provided or where what economists call externalities become important. There are positive and negative externalities. Markets are less efficient providers in both cases; the governments, at least in theory, do a better job. But what type of government? There are three possibilities: a unitary state, a federalist system, or a confederation. I will concern myself with the first two.

⁴ Dennis Mueller, *Federalism: A Constitutional Perspective* (Vienna, University of Vienna, n.d.) mimeo.

A unitary system need not be distant from the people, especially when the state is decentralized with government departments organized to reach people where they are located. This was the system used by the British during their long rule of India and was what Pakistan inherited when it became an independent state. But it was not a federalist system in the sense that elected representatives of the people were not responsible for providing public goods to the people. That responsibility rested with the officials appointed by a highly centralized state. In a unitary system, responsibility to the people is only at the central level. In a federal system, people through elections have control over those who serve them. That, in theory, is the system that Pakistan attempted to establish following the adoption of the 1973 constitution.

Once the decision is made to establish a federal system, the next question concerns its optimal design. How many levels of government should there be is one of these questions. What should be the division of responsibility among them? How should the governments at various levels finance their activities? The 1973 constitution established two tiers of government, one at the central level and the other at the provincial level. The Seventeenth Amendment introduced into the constitution by President Pervez Musharraf effectively introduced a third tier into the structure. This was done by devolving various state responsibilities to an elaborate system of local government. A new position was created to assign responsibility for delivering public services to an elected official called the “nazim.” This official was to be elected by the people and the bureaucracy at the local level was made responsible to him or her.

The 1973 constitution—even when amended by President Musharraf—did not provide many resource generation responsibilities to the governments at the sub-national levels. They were mostly dependent on the central government for financing their activities. The provincial governments were given some say in the amount of resources they obtained from the center by their representation in the National Finance Commission (NFC). The NFC was to be convened every five years. According to Section 160 of the constitution,

Within six months of the commencing day and thereafter at intervals not exceeding every five years the President shall constitute a National Finance Commission consisting of the Minister of Finance of the Federal Government, the Ministers of Finance of the Provincial Governments, and such

other persons as may be appointed by the President after consultation with the Governors of the Provinces.⁵

The NFC would decide on the formula to be followed for allocating the resources available in what was called the divisible pool. However, this provision like so many others in the constitution, was largely ignored. For instance the most recent NFC award was signed in 2009, almost 13 years after the one it replaced. Whatever shares were agreed upon were provided to the provinces in the form of grants. According to many economists, this method of providing resources to the federating units introduces serious distortions.

More than 100 years ago, the economist Knut Wicksell established what has come to be called the Wicksellian connection. According to this, each public expenditure item should be coupled with a tax to finance it so that the voting public knows how much it is paying for the services being provided. Some experts go a step further. They suggest that the people receiving services from the state no matter where the state is located should be charged for the services they are being provided. This approach serves several purposes. It forces the state to be efficient in the business in which it is involved. It also makes it possible for the people to bypass the state and go to the private sector if they are not happy with the services being made available by the state. This is what has happened in the case of education and health for the more well-to-do segments of Pakistani society. People who can afford to go to the private sector have largely abandoned the state in these areas.

There is virtual consensus among economists that intergovernmental grants lead to the expansion of the public sector—there is empirical evidence to suggest that a local government generally spends a far larger fraction of an unconditional grant from a higher level of government than its citizens would consider optimal. Applying this finding to Pakistan where financing for the provinces will come mostly from the NFC awards, the 18th Amendment-induced autonomy will not necessarily lead to economic efficiency. The provinces must be given a way to finance most of their own development.

⁵ I have used the text in Yasmeen Rehman, *The Constitution of the Islamic Republic of Pakistan, 1973 as Amended by Constitution (18th Amendment) Act, 2010*. Lahore, Punjab Law Book House, 2010.

V. NFC Award

The chief ministers of the four provinces signed the 7th NFC Award on 30 December 2009. The signing ceremony was held at Gwadar and was witnessed by Prime Minister Yusuf Raza Gilani. The award will come into force on 1 July 2010. The venue was chosen to reflect the desire of all provinces to end the years of deprivation of the country's largest province by area, Balochistan.

The constitution of 1973, adopted after East Pakistan departed from the Pakistani federation and became independent Bangladesh, was sensitive to the needs of the smaller provinces—smaller in terms of the shares in population of the truncated country that emerged in December 1971. Since East Pakistan chose to separate from the union largely because of its unhappiness with the way it had been treated by the center for providing resources for development, those who framed the 1973 constitution were keen to build into the governing structure mechanisms for dispute resolution.

The constitution provided for the convening of an NFC to apportion the funds collected by the federation but assigned to a pool called “divisible” since they were meant to be used by the provinces. The NFCs were to be convened every five years. It also provided for the constitution of a CCI made up of the chief ministers of the four provinces and four members representing the federation and appointed by the prime minister. The CCI could establish commissions of experts if an issue needed to be explored in depth before a solution could be worked out. The constitution also provided for conducting population censuses at ten-year intervals so that seats in the National Assembly could be assigned on the basis of population. Unfortunately these provisions were largely ignored. There was a gap of 26 years between the censuses of 1972 and 1998; there was an interval of a dozen years between the sixth and the seventh awards made in 1997 and 2009, and the CCI was seldom convened for the purpose of handling provincial grievances. One reason why the federal provisions of the constitution were not fully followed was the domination of the political system by the military which governed directly for 19 years since the adoption of the constitution 36 years ago. Believing in central command and control, the military has little appetite for power sharing. Happily the adoption of the seventh award may usher in a period of greater say by the provinces in their own affairs.

The Gwadar accord will replace the sixth award that was signed in January 1997, negotiated by the caretaker government that succeeded the administration headed by Prime Minister Benazir Bhutto. As finance

minister in the caretaker administration, I chaired the negotiating committee. Then, as now, there were essentially three issues before the provinces. The first was the provincial share in the pool of resources with the federal government that were regarded as “divisible,” which is to say that they were available for transfer to the provinces. The second was the formula according to which the federal pool was to be divided among the provinces. Third was the extent to which the more developed provinces should subsidize the development of backward provinces.

Its two main features are: one, a larger share of the provinces in the federal divisible pool and, two, greater allocation to the country’s more backward provinces, Balochistan and Khyber Pakhtunkhwa. Under the Gwadar accord, the provincial share in the divisible pool will increase from 47.5 percent to 56 percent. Under the formula agreed by the provincial chief ministers, Punjab will receive 51.74 percent of the divisible pool, Sindh 24.55 percent, Khyber Pakhtunkhwa 14.62 percent, and Balochistan 9.09 percent. Punjab’s share is 1.27 percentage points lower than the one received in 1997, Sindh is lower by 0.39 percentage point, and Khyber Pakhtunkhwa by 0.26 percentage point. Balochistan is the only province that saw an increase in its share. Compared to the 1997 award, its share will be 1.92 percentage points higher.

These shares were worked out on the basis of a formula that included population, incidence of poverty, collection of revenues, and generation of revenues. Population was given a weight of 82 percent in the formula, poverty 10.3 percent, revenue collection 2.5 percent, revenue generation 2.5 percent and area 2.7 percent.

There are several ways of working out the extent of the sacrifice made by the two relatively more prosperous provinces in the federation to promote the development of those that are less advantaged. After all, that was the intention of the framers of the constitution of 1973. They built several provisions into the political arrangement they devised that, had they been implemented, would have quickened the pace of development of the poorer provinces that were also smaller in terms of their share in the population. However, these provisions of the constitution were largely ignored with the result that both Balochistan and Khyber Pakhtunkhwa have lagged behind Punjab and Sindh in developing their economies. Looked at from this perspective, the NFC 2009 Award has made a real breakthrough.

In estimating what the richer provinces are doing for those that are relatively poor, I will look at the award from two perspectives: population and GDP. Population estimates for the provinces are available for 2007 from

the *Pakistan Economic Survey, 2008-09*.⁶ That unfortunately is not the case for provincial GDP which is probably why the formula used to assign shares in the divisible pool does not include GDP. I have used provincial shares in irrigated area and in the distribution of enterprises to estimate provincial GDP for the purpose of this analysis.

Using the ratio of the shares in population to the shares in the NFC Award, Punjab has made a significant sacrifice in providing for the other provinces. Its share in the award is almost 9 percentage points lower than would have been the case had the distribution been done on the basis of population. From that perspective, the most generous terms are for Balochistan that was given a 71.7 percent higher share than its share in population. Punjab is the only province that received a lower share; even Sindh received 3.8 percent more than its share in population.

Looked at from the perspective of shares in GDP, a slightly different picture emerges. Both Punjab and Sindh—the former slightly more than the latter—have sacrificed to accommodate the needs of the smaller and poorer provinces. I estimate Punjab's share in GDP at 60.5 percent and that of Sindh at 28.2 percent. Comparing these to the shares in the award suggests the element of sacrifice—or the amount of resource transfers—the two provinces are making to help the poorer areas. Punjab has accepted a share 14.5 percentage lower and Sindh 13.1 percent lower than would be justified had the award been made on the basis of shares in GDP.

The Gwadar award has thus set the stage for a greater say of the provinces in their own development and for the richer provinces to aid the poorer ones in quickening their pace of development. Those who rule from the center must also take steps to implement other provisions of the constitution aimed at creating a functioning Pakistani federation.

VI. Conclusion

While the 18th Amendment to the constitution has taken a major step forward in moving Pakistan toward a federal system, the real test of efficiency will come once the envisaged system begins to take shape. The passage of the amendment and its signing into law has not stilled the controversy that surrounds many aspects of governance in Pakistan. Many petitions have been moved in the Supreme Court challenging the Parliament's right to bring about such a major change in the original

⁶ Government of Pakistan, *Pakistan Economic Survey, 2008-09*, Ministry of Finance, Islamabad, 2008.

structure. Some legal experts contend that Parliament, even when voting unanimously, as was the case with the vote in favor of the amendment, cannot bring about a fundamental change in the original structure. Others maintain the opposite.⁷

Another test will come in terms of providing services for which the provinces will have responsibility with the abolition of the concurrent list by the 18th Amendment. Most economists agree that basic services are better provided by governments that are closer to their intended beneficiaries. The decentralization of the government's authority should help in addressing the problem the country faces as the number of people living in absolute poverty increases. But will the provinces have the resources to carry out this mandate? The amendment has largely left this as an open question. That is a mistake. It is only when the devolution of responsibility is coupled with the responsibility of raising resources that the real test of the new system will come. Grants made as part of the NFC rewards do not produce fiscal efficiency.

Then there is a lesson Pakistan's history has to teach. The process of centralization within a federalist structure Pakistan has seen in its history is so pervasive worldwide that it has come to be referred to as the Popitz law, named after the German economist who in the early part of the previous century identified the tendency toward centralization in state revenues and expenditures. Will Pakistan once again revert to that situation? Again, only time will tell.

Then there is the question of the impact of globalization on regional development within federalist structures. It has been noted by several scholars that with the easy movement of capital across national frontiers, there is intense competition among federating units within federal structures. This has been seen in federalist systems in both developed (Australia, Canada, the United States) as well as emerging (Brazil, China, India, South Africa) economies. Economists call it "competitive federalism." We did not touch upon this aspect of decentralization in this brief paper.⁸

⁷ One example of the sharp dispute on this issue is the exchange outside the Supreme Court between two prominent lawyers, Aitzaz Ahsan and Akram Sheikh. See Nasir Iqbal, "Aitzaz, Akram spar over parliament" *Dawn* (21 April 2010), pp. 1 and 5.

⁸ This subject was covered in an international symposium held in New Delhi in August 2003 and reported in an Indian journal. See *Economic and Political Weekly*, "Federalism in a Global World: Challenges and Responses", 6 September, pp. 1-16.