



## ISLAMABAD POLICY RESEARCH INSTITUTE

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### IPRI Webinar Press Release

#### **“18<sup>th</sup> Amendment: Impact on Governance in Pakistan”**

**21 July 2020**

*There is need for strong intellectual rigor behind public policies.*

*Any and all constitutional amendments should be debated through a broad-based consensual, deliberative political process.*

The Islamabad Policy Research Institute organized a special webinar *on “18<sup>th</sup> Amendment: Impact on Governance in Pakistan”* here in the capital today. Speakers included Mr Ahmed Bilal Mehboob, President and Secretary General Board of Directors, Pakistan Institute of Legislative Development and Transparency (PILDAT); and Dr Nadeem ul Haque, Vice Chancellor, Pakistan Institute of Development Economics (PIDE).

In his Opening Remarks, Acting President IPRI, *Brig. (Retd.) Raashid Wali Janjua* highlighted that following the tenth anniversary of the 18<sup>th</sup> Constitutional Amendment, serious soul-searching is required to see what it has failed to achieve, whether there are lessons to be learned to modify it and remove bottlenecks to improve its implementation and make changes. He outlined that the 18<sup>th</sup> Amendment was unanimously adopted by the Parliament after 2 years of deliberations. It sought to enhance the federal character of the Constitution, but there were certain issues regarding the capacity and readiness of the provinces that are still hanging fire, and need proper debate. He remarked that the most important aspect of 18<sup>th</sup> Amendment was restructuring of the National Finance Commission (NFC) Award under which the provincial share in fiscal resources is 57.5 per cent. Under Article 160(3A), share of the provinces in each NFC Award cannot be less than the share given in the previous award, so the critics claim that the transfer of a large part of fiscal resources to the provinces limits the financial space of the federal government, putting constraints on its ability to undertake debt servicing, amongst others. The capacity issue of provinces and their

readiness to shoulder the responsibilities devolved to them also remains a question. He hoped that the webinar would address important questions like how will the capacity issues of the provinces to handle education and health be addressed; what can be the role and status of local governments; would the center be as effective to address the issues of law and order and other security-related issues and development-oriented responsibilities of the federation under the 18<sup>th</sup> Amendment as devised.

Discussing post-18<sup>th</sup> Amendment fiscal space issues faced by federal government and possible solutions, **Dr Nadeem ul Haque** stressed the need for exhaustive research and debate before any policy is proposed in the National Assembly. ‘A white paper should be circulated a year before any policy is set in motion’, he said. He shared that the case of the 18<sup>th</sup> Amendment has begotten a frenzy of speculations and conspiracy theories pitting the opposition against the government; and stressed that the 18<sup>th</sup> Amendment is a political issue rather than an economic one. Dr Haque pointed out the NFC award happened hastily, and has thus far, not been representative nor offers any clarity on what needs to be done, by whom and how. ‘Policy decisions taken in a vacuum have serious consequences’, he warned. He also stressed that the 18<sup>th</sup> Amendment calls for a smaller federal structure but despite that the size and number of federal ministries/agencies/departments continues to increase albeit under different nomenclature. At the same time, he explained that the provinces too have been jealously guarding their turf and not focusing on strengthening local governance, an important part of the Amendment. Albeit, a decade into its passage, terms of the 18<sup>th</sup> Amendment are yet to be implemented in letter and spirit, he lamented.

Discussing the post-18<sup>th</sup> Amendment governance challenges and possible solutions, **Mr Ahmed Bilal Mehboob** first provided a historical overview and background of the issue. He stated that since health, education and labour are not part of the Concurrent List, serious issues of coordination have arisen. Sharing the Terms of Reference of the Council of Common Interests (CCI), he opined that despite not being 100% functional, the CCI has become ‘a state within a state’ making decision-taking complex and time-consuming. Issues like the annual census is one case in point. He also remarked that unlike the Indian Constitution, the 18<sup>th</sup> Amendment does not provide a detailed framework for the functioning of local governments such as length of term, number and functions of tiers, direct or indirect election. ‘Local governments are imperative for effective

governance under Article 140-A, but have been left to the mercy of the provinces, as shockingly 3 of them are without local government,' he remarked. He also pointed towards the federal government's desperation to wriggle out of locked National Finance Commission provisions under Article 160 (3A). Mr Mehboob was of the view that since Provincial Assemblies lack the will, capacity and power to deal with additional legislative challenges, civil services need to be prepared for greater responsibility through the 18<sup>th</sup> Amendment. Talking about possible solutions, Mr Mehboob said that 'talk of amending the 18<sup>th</sup> Amendment is not only absurd, it is provocative and counterproductive since sub-national zones have struggled and worked hard for it, and have strong emotional bonds to the 18th Amendment.' Perseverance, patience and continuous dialogue is required to develop consensus. He also added that while change through a judicial verdict is an option, it would be unwise to solve a political issue through judicial means. 'Dissent should be accepted as a norm and there must be a realization that open and civilized discourse on the 18<sup>th</sup> Amendment (which is part and parcel of the Constitution) should not be deemed as anti-province, or anti-Centre nor unpatriotic as long as the end goal is to make Pakistan a strong country with effective governance mechanisms.

In the interactive *Question/Answer session*, speakers agreed that implementation of the 18<sup>th</sup> Amendment has been met with resistance from central bureaucracies that stand to lose political influence if power is devolved effectively from provincial governments to local governments. However, such a challenge might still be an afterthought as local governments are a long way from exercising the level of autonomy guaranteed to them in the Amendment.