

How should Pakistan Manage the Equitable Distribution.....:

Introduction:

Pakistan came into existence in 1947 and adopted the federal structure of governance to address the grievances of all ethnic groups. Soon after its independence many issues emerged among its federating units. Provinces have many grievances with center regarding distribution of resources. Smaller provinces have expressed their concerns regarding royalty share as well as distribution of water. Some measures should be taken to address the concerns of federating units including, to make NFC incentivised based and need-based, to give fair royalties to provinces, implementation of article 158 and equal infrastructure and human development projects in all provinces.

A Brief Account of Past Grievances of Provinces:

- Provinces concerns related to financial resources

There is a proper mechanism of financial distribution among provinces, but most of the smaller provinces have shown reservations. KP is unhappy with current financial distribution mechanism owing to security issues, as well as after the merger of FATA with KPK. It has always voiced ^{voice} for more resources. Similarly, Balochistan due to poverty, security issues and under-development has voiced against financial distribution mechanism.

• Grievances related to center's dominance over provincial resources:

According to article 158 of the constitution, province in which resources are located shall be given precedence over other areas. Provinces have been given right to use their resources for their development first. Natural gas discovered in Balochistan, but gas supplied to Quetta in 1986, that too for a military cantonment. Natural gas supply to other major cities started in 1964. Similarly, Sindh blamed center for diverting its resources to other

Add and highlight references/examples against these arguments

provinces especially Punjab. KPK claims that it produces most of the electricity but it has to buy electricity at much higher price.

• Royalty issues related to usage of province's resources:

According to Article 161, Provinces have been given right to be paid fair royalty over the usage of provinces' resources. Balochistan claims that it has been given less royalty compared to other provinces. KPK claims that prices of electricity is rising sharply, ~~but~~ so the royalty payment should ^{also} be increased. KPK provides water to 1450 MW power house in Barotha. For this Punjab has been given royalties but KP has no share in royalty.

• Inter-Provincial water distribution issue:

The water Apportionment Accord of 1991, distributes water among provinces. Smaller provinces e.g. Sindh and Balochistan are not happy with this distribution and claims it favours Punjab.

Moreover, Balochistan reportedly claims that Sindh is not giving its due share of water. Interestingly, Sindh also accuses Punjab of not giving its due share of water.

Underrepresentation in federal institutions:

Smaller provinces also claim about more representation in Federal institution. Although, there exists mechanism of quota system to give representation to all ethnic groups, but smaller provinces are still unhappy, Balochistan claims that it has been given less influential posts even though quota system exists. Owing to this, smaller provinces have little say in matter related to state and even their own provinces.

Issues related to infrastructure and human development projects.

Provinces especially KPK and Balochistan claim that Federal government's infrastructure and human development

projects are relatively higher in Punjab as compared to other provinces. For instance, Balochistan has limited health and education facilities. This lack of development leads to less economic growth.

Step needed by the state of Pakistan to address the grievances of different groups:

- Need to shift NFC from population based to need-based and incentive-based model.

The long standing concerns of different groups can be addressed through revisiting NFC award. The NFC award calculations should be based on need as well as performance on different development indicators of provinces. In this way provinces will try to perform best and get more resources in term of calamities. For instance, India's Finance Commission award is dynamic and adopts multi-based criteria for resource distribution.

• Giving Provinces their due royalty on natural resources:

Provinces should be given their fair share of royalty. There should be an independent regulatory body to monitor the whole process. There should be strict accountability of royalties being spent on development projects. Canada is a country where provinces have right to collect royalty on natural resources.

This system ensures that resource rich provinces e.g. Alberta benefit from its resources as well as contributing to Federal budget.

• To Ensure the implementation of Article 158 in true sense:

Article 158 provides provinces right to meet their needs first from their natural resources. By utilizing natural resources, Provinces can ensure the development of local economies. Australia's federal system grants authority to states and territories to utilize their natural resources. This decentralized approach ensures development at local level.

• New methods are needed to distribute water among provinces:

There is a need to upgrade 28 years old water distribution mechanism, because most of the provinces are unsatisfied.

The federal water agencies of the country, including WAPDA and IRSD, should work with provincial agencies to set up a modern, reliable, and mutually accepted mechanism of water distribution.

• Ensuring equal infrastructure and human development projects:

There should be equal development projects in each province to address their long standing grievances. For instance, European Union cohesion Policy is a guiding principle as it ensures equal development in all regions to support economic growth.

Add more arguments

Conclusion:

In short, Equitable distribution of resources is a bone of contention among the provinces.

Smaller provinces are unsatisfied with the current resource distribution mechanism.

These provinces have put forward many

Grievances including equality issue, water distribution and center's dominance over provincial resources. To address these concerns, Pakistan should revise the NFC and make it incentive-based and need-based model. Apart from this, Pakistan should also revisit 28 years old water distribution mechanism. This will help in addressing concerns of federating units.

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