

**Allama Iqbal Open University AIOU BS  
solved assignment NO 1 Autumn 2025  
Code 9385 Civics and Community  
Engagement**

**Q.1 Write down the rationale of civics and why it is important. Give examples from your daily lives where you practice civic sense.**

**Answer (Approximately 5000 words, detailed, unique, no extra line at the end):**

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**Introduction: Understanding Civics and Its Rationale**

Civics is the branch of social science that deals with the rights and responsibilities of citizens, the functioning of government, and the role individuals play within a society. It teaches how citizens interact with state institutions, how governments function, and what duties each citizen must perform to maintain order, peace, and progress. In simple words, civics is all about understanding how society works and how we, as individuals, contribute to that system.

The rationale of civics lies in its ability to help individuals become responsible, law-abiding, conscious, and active members of a community. Without civics, societies would lack discipline, unity, and awareness. A country cannot progress unless its citizens understand how to respect laws, protect national resources, follow ethical behavior, and participate constructively in community life. Civics

develops social harmony, political awareness, ethical values, and respect for diversity. It ensures that every person knows not only their rights but also their responsibilities.

In a world where people from different beliefs, cultures, and backgrounds live together, civics plays a crucial role in promoting tolerance, peaceful coexistence, and cooperation. It teaches that equal rights must be ensured for all and that no person is above or outside the law.

Civics also equips students with knowledge about democratic participation—voting, community involvement, and understanding public issues. This helps build responsible generations who can contribute positively to society.

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## **Rationale of Civics: Why It Is Necessary**

The rationale of civics can be understood through various dimensions—social, political, cultural, ethical, and educational. Each dimension highlights the need and significance of civic education in building a strong and progressive nation.

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### **\*\*1. To Develop Responsible Citizenship**

One of the most important purposes of civics is to develop responsible citizens. A responsible citizen understands their role in society, follows the law, respects other people, and contributes actively to national welfare. Civics creates awareness about duties such as paying taxes, voting, obeying traffic rules, keeping the environment clean, and helping community members.

For instance, when people understand the importance of voting, they make informed decisions which lead to the election of competent leaders. Similarly, when citizens learn about the importance of laws, they become more responsible and avoid actions that may harm others.

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## **2. To Build Awareness of Rights and Responsibilities**

Civics provides knowledge about basic human rights such as freedom of speech, right to education, equality before the law, protection of property, and freedom of religion. It also teaches responsibilities like respecting others' rights, protecting public property, serving the community, and obeying the law.

Knowledge of rights alone is not enough; individuals must also understand their responsibilities. Civics ensures this

balance by teaching that with every right comes a corresponding duty. For example, the right to freedom of expression must be used responsibly, without hurting religious or cultural sentiments of others.

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### **3. To Develop Understanding of Government and Its Functioning**

Civics explains how governments function, how laws are made, and how public institutions work. Students learn about the roles of the judiciary, legislature, and executive. They also learn about local government systems, municipal services, and how public issues like education, health, water supply, and security are managed.

A society where people understand how government functions becomes more politically aware and active.

Citizens can question authorities, demand their rights, and

hold public officials accountable. This leads to transparency, reducing corruption and strengthening democracy.

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#### **4. To Promote National Integration and Unity**

Civics plays a vital role in uniting people from diverse backgrounds. It teaches respect for cultural, religious, and ethnic diversity. It helps individuals understand that despite differences, all citizens are equal members of one nation. This strengthens national unity and reduces conflicts within society.

Civics also highlights national symbols, national heroes, and shared values that bring people together. When students learn the importance of unity, patriotism, and

collective effort, they develop a deeper connection with their country.

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#### **5. To Encourage Ethical and Moral Values**

Civics is not only about political structures; it also focuses on moral values like honesty, discipline, cooperation, tolerance, respect, and fairness. These values are essential for creating a peaceful and harmonious society. Civics promotes ethical behavior by teaching students the importance of justice, equality, truth, loyalty, and compassion.

For example, when people understand the moral responsibility of respecting public property, they avoid damaging roads, parks, and government buildings. Ethical



values also help prevent unethical behavior like cheating, bribery, and spreading false information.

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#### **6. To Improve Social Harmony and Peaceful Coexistence**

In multicultural societies, differences can lead to misunderstandings and conflicts. Civics helps reduce these tensions by promoting tolerance, peaceful dialogue, and respect for other beliefs. It teaches that every citizen is equal regardless of religion, language, or background. This encourages peaceful coexistence and reduces discrimination.

Knowledge of civics also helps individuals resolve conflicts peacefully, understand the importance of cooperation, and practice patience and empathy in daily life.

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## **7. To Prepare Individuals for Democratic Participation**

A functioning democracy requires active citizens who participate in decision-making processes. Civics teaches about elections, voting, political parties, and public policy. It helps individuals understand how they can influence government decisions through peaceful means.

For example, when citizens participate actively in elections, they contribute to the selection of better leaders. When they voice their concerns through proper channels, laws and policies become more citizen-centered.

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## **8. To Develop Critical Thinking and Reasoning Skills**

Civics encourages students to analyze social, political, and economic issues critically. It helps them evaluate news, question misinformation, and understand the impact of public decisions on society. This enables them to become rational thinkers who make informed decisions.

Critical thinking is essential in a world full of information and political influence. Civics empowers individuals to differentiate between facts and opinions, making them less vulnerable to manipulation.

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### **Importance of Civics in Daily Life**

Civics is not limited to textbooks; it has practical applications in our everyday actions. It guides behavior in public places, within communities, and even at home. The

importance of civics in daily life can be seen through the following aspects:

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### **1. Promoting Discipline and Lawfulness**

When individuals learn about laws and their importance, they follow rules responsibly. This includes traffic rules, school rules, workplace regulations, and social norms. Law-abiding citizens contribute to an orderly, safe, and peaceful environment.

For example:

- Crossing the road only at zebra crossings
- Wearing a helmet while riding a motorbike

- Not breaking traffic signals

These simple actions reflect civic understanding and contribute to public safety.

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## **2. Practicing Respect and Tolerance**

Civics teaches respect for others' beliefs, cultures, opinions, and rights. In daily life, this is reflected through polite behavior, patience, and listening to others without judgment. Respect promotes harmony in families, schools, workplaces, and communities.

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## **3. Protecting Public and Private Property**

Civic responsibility means one must not damage public property like parks, streetlights, benches, libraries, school furniture, buses, or hospitals. Public property belongs to everyone, and damaging it harms the entire community.

For example:

- Not writing on walls or public buildings
- Keeping public spaces clean
- Avoiding vandalism

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#### **4. Participating in Community Welfare**

Civics encourages participation in activities that benefit society such as cleanliness drives, charity work, blood donation, tree plantation, and volunteering. This builds community spirit and cooperation among individuals.

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#### **5. Environmental Responsibility**

Civic sense includes protecting the environment by planting trees, reducing pollution, saving water, avoiding plastic waste, and keeping surroundings clean.

Environmental responsibility is essential for sustainable development.

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#### **6. Awareness of Social Issues**

Civics increases awareness of major issues like poverty, illiteracy, health crises, unemployment, corruption, and human rights violations. This awareness encourages citizens to contribute solutions and support reforms.

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#### **Examples from Daily Life Where Civic Sense Is Practiced**

To better understand how civics is applied in everyday life, here are some detailed examples:

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##### **Example 1: Following Traffic Rules**

When you wear a seatbelt, follow speed limits, stop at red lights, and give way to pedestrians, you are practicing civic sense. This helps prevent accidents and ensures safety for all.



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**Example 2: Keeping Surroundings Clean**

Throwing garbage in dustbins, not littering streets, and participating in cleanliness activities are acts of civic responsibility. Cleanliness reflects discipline and care for the community.

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**Example 3: Respecting Public Property**

Taking care of school desks, public benches, parks, transportation, and not breaking or stealing items from public places shows awareness and responsibility.

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**Example 4: Helping Others in the Community**

Helping an elderly person cross the road, assisting neighbors, volunteering in charity events, or supporting a classmate demonstrates civic values like cooperation and compassion.

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**Example 5: Respecting Diversity**

Behaving kindly with people of different religions, languages, and cultures is a major part of civic sense. This promotes harmony and reduces conflicts.

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**Example 6: Paying Taxes Honestly**

Taxes are used to build roads, schools, hospitals, and public services. Paying taxes honestly reflects civic responsibility and supports national development.

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**Example 7: Energy Conservation at Home**

Turning off lights when not in use, saving water, reducing electricity waste, and using resources carefully show civic awareness about environmental sustainability.

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**Example 8: Participating in Elections**

Voting in elections is a direct application of civic duty. It strengthens democracy and ensures that citizens have a say in the country's leadership.

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**Example 9: Respecting Queue/Line System**

Standing in line at banks, shops, schools, or bus stops shows discipline and respect for others' time. It ensures fairness and order in public spaces.

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#### **Example 10: Online Civic Responsibility**

Using social media responsibly, avoiding hate speech, and not spreading fake news are modern forms of civic sense. They help maintain peace and prevent misinformation.

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#### **Conclusion**

The rationale of civics lies in its ability to build responsible, ethical, law-abiding, and active citizens. Civics creates awareness of rights and responsibilities, promotes national unity, enhances political understanding, and strengthens

democracy. It prepares individuals for meaningful participation in society and ensures peaceful coexistence among diverse groups. In daily life, civic sense is demonstrated through simple yet powerful actions such as following rules, respecting others, keeping surroundings clean, protecting the environment, and helping community members.

Through civics, individuals learn that they are not just members of a society but active contributors to its progress, harmony, and development.

**Q. 2 Describe the different state structures along with the functions they perform in detail.**

A state is a complex political and administrative organization that exercises authority over a defined territory and population. To function effectively, every state relies on specific structural components that carry out legislative, executive, judicial, administrative, and regulatory responsibilities. These structures work collectively to maintain order, protect citizens' rights, deliver services, ensure justice, and regulate society.

Understanding these structures is essential for understanding how governments operate and how public affairs are managed. The major state structures include the legislature, executive, judiciary, bureaucracy, armed forces and law-enforcement agencies, local governments, and independent regulatory bodies.

## **Legislature: Structure and Functions**

The legislature is the law-making body of the state responsible for creating, amending, and repealing laws. It represents the will of the people because its members are elected through democratic processes. Legislatures may be:

- **Unicameral:** One-house system (e.g., Nepal, Denmark)
- **Bicameral:** Two-house system, usually an upper and lower house (e.g., Pakistan's Senate and National Assembly; U.S. Congress with Senate and House of Representatives)

## **Law-Making Function**

The most fundamental role of the legislature is to formulate laws that regulate social, political, and economic life. Laws define citizens' rights, duties, punishments, institutional structures, and state responsibilities.

#### **Representation**

Legislators represent the interests and concerns of the population. Through debates, resolutions, and motions, they raise issues faced by their constituencies.

#### **Oversight and Accountability**

The legislature checks the executive branch. Through question hours, standing committees, and parliamentary debates, it reviews government actions and holds it accountable.

#### **Budget Approval**



Financial bills, taxation proposals, and national expenditures require legislative approval. Without legislative authorization, no tax can be imposed or public money spent.

#### **Debating National Issues**

It acts as a forum for national dialogue where matters like foreign policy, economic reforms, education, and security are discussed openly.

#### **Amending the Constitution**

Special majorities are required in the legislature to amend or change constitutional provisions, ensuring stability and deeper scrutiny.

#### **Executive: Structure and Functions**

The executive is responsible for implementing laws and administering day-to-day governance. Executives may vary depending on the system of government:

- **Parliamentary System:** Prime Minister is head of government
- **Presidential System:** President is both head of state and government
- **Semi-Presidential System:** Power is shared between President and Prime Minister

The executive includes the head of government, cabinet of ministers, civil administration, and law-enforcement agencies.

### **Policy Formulation**

The executive proposes national policies related to economy, security, education, health, foreign affairs, environment, and other sectors.

### **Law Implementation**

Once the legislature passes laws, the executive ensures their practical application through various ministries and departments.

### **Administration and Public Welfare**

It supervises government institutions, provides public services, maintains infrastructure, and oversees national development projects.

### **Security and Public Order**

Through police and home departments, the executive ensures law and order, combats crime, and maintains internal stability.

#### **Foreign Relations**

Executives negotiate international agreements, represent the nation globally, and maintain diplomatic relations.

#### **Defense Management**

In many states, the president or prime minister serves as commander-in-chief and supervises military strategy and national defense.

#### **Crisis and Disaster Management**

During floods, pandemics, earthquakes, and national emergencies, the executive organizes relief operations and ensures public safety.

#### **Judiciary: Structure and Functions**

The judiciary is the system of courts responsible for interpreting laws, protecting rights, and delivering justice.

Judicial structures usually include:

- **Supreme Court** (highest authority)
- **High Courts** (provincial or regional level)
- **District and Sessions Courts**
- **Special Courts/Tribunals** (e.g., anti-terrorism courts, family courts, consumer courts)

#### **Interpretation of Law**

Courts interpret legal provisions and resolve ambiguity in legislative language.

### **Protection of Fundamental Rights**

The judiciary ensures that the state does not violate constitutional rights. Citizens can file petitions for enforcement of rights.

### **Dispute Resolution**

Civil, criminal, commercial, and constitutional disputes are handled by courts, ensuring justice and order.

### **Judicial Review**

Courts assess the validity of governmental actions. If any law or executive decision is unconstitutional, the judiciary can strike it down.

### **Criminal Justice System**

The judiciary ensures fair trials, awards punishments, and upholds justice.

### **Check on Executive Power**

Judicial independence ensures that the executive cannot act arbitrarily.

### **Bureaucracy/Administration: Structure and Functions**

Bureaucracy is the permanent administrative machinery of the state. Unlike elected officials, bureaucrats are career civil servants. They carry out government decisions, deliver services, and ensure the functioning of the state.

### **Policy Implementation**

Bureaucrats convert policies into action by creating procedures, allocating resources, issuing instructions, and supervising their execution.

### **Service Delivery**

Education boards, hospitals, passport offices, police departments, NADRA, and municipal services are administered by bureaucratic institutions.

### **Regulatory Functions**

They inspect industries, enforce safety standards, regulate markets, and ensure compliance with public policies.

### **Record Keeping and Documentation**

Civil servants maintain national records such as census data, tax files, land records, and administrative archives.

### **Advisory Functions**

Experts in bureaucracy advise ministers on technical issues such as agriculture, economics, IT, trade, and social welfare.

### **Public Financial Management**

Bureaucrats manage budget execution, monitor expenditures, and ensure transparency.

### **Armed Forces and Law-Enforcement Agencies**



This structure comprises the military (army, navy, air force) and internal security institutions (police, rangers, intelligence agencies).

#### **Defense of the State**

Armed forces defend against external aggression and safeguard territorial integrity.

#### **Internal Security**

Police maintain peace, prevent crime, enforce law, and protect citizens. Intelligence agencies gather information and prevent threats.

#### **Border Protection**

Security forces guard borders and prevent smuggling, illegal migration, and cross-border crimes.

#### **Disaster Response and National Emergencies**

Military assists in natural disasters, rescue operations, and humanitarian assistance.

#### **Promotion of National Unity**

Military institutions often consist of people from diverse ethnic, linguistic, and religious backgrounds, promoting cohesion and national identity.

#### **Local Government Institutions**

Local governments are closer to the people and help decentralize power. Examples include district councils, municipal committees, tehsil administrations, union councils, and village councils.

#### **Local Service Delivery**

They manage sanitation, water supply, waste disposal, streetlights, community parks, and local infrastructure.

#### **Local Law Enforcement and Regulation**

Building approvals, municipal rules, business licensing, and small-scale taxation fall under local governments.

#### **Community Development and Participation**

Local governments identify community needs, initiate development projects, and encourage public involvement in governance.

#### **Strengthening Democracy**

Local elections offer grassroots participation and political education for citizens.

#### **Independent and Regulatory Bodies**

Modern states require autonomous institutions to ensure transparency and regulate specialized sectors. Examples include:

- Election Commission

- State Bank or Central Bank
- Ombudsman Offices
- Human Rights Commissions
- Anti-Corruption Bodies
- Media Regulatory Authorities (e.g., PEMRA)
- Energy and Telecom Authorities (e.g., NEPRA, PTA)

#### **Ensuring Fair Practices**

They monitor public and private institutions and prevent exploitation, fraud, or misuse of authority.

### **Regulating Key Sectors**

Telecommunications, energy, media, banking, and capital markets must follow rules and quality standards established by regulators.

### **Conducting Free and Fair Elections**

The Election Commission ensures transparent democratic processes.

### **Protecting Rights**

Human rights bodies address complaints and ensure rights are not violated by state institutions.

### **Maintaining Checks and Balances**

Regulators function independently to limit executive overreach and political interference.

### **Conclusion**

State structures are interconnected components that ensure the functioning of government institutions, maintenance of law and order, protection of rights, policy implementation, administrative management, and delivery of public services. The legislature creates laws, the executive implements them, the judiciary ensures justice, bureaucracy manages administration, armed forces protect the nation, local governments address grassroots needs, and regulatory bodies ensure transparency and accountability. Each structure performs a vital role in maintaining stability, development, and the effective functioning of the state.

**Q. 3 Write a detailed note on the National Finance Commission Award and its importance.**

The National Finance Commission (NFC) Award is one of the most significant fiscal mechanisms in Pakistan's constitutional and financial structure. It determines how financial resources—specifically revenues collected at the federal level—are distributed between the federal government and the provincial governments, and subsequently among the provinces themselves. To understand the NFC Award in detail, it is essential to explore its constitutional basis, evolution, structure, objectives, financial formulas, challenges, and its importance for national unity, provincial autonomy, and economic development. The NFC Award is not just a fiscal tool; it is a political, administrative, and economic

instrument that shapes the relationship between the federation and its units, influences public policy, affects development priorities, and determines the economic strength and wellbeing of provinces and their people.

#### **Constitutional Basis of the NFC Award**

The NFC Award is established under Article 160 of the Constitution of Pakistan. According to the Constitution, every five years, the President of Pakistan must constitute a National Finance Commission consisting of the Federal Finance Minister, Provincial Finance Ministers, and other expert members appointed by the federal and provincial governments. The constitutional role of NFC is to recommend:



1. Distribution of the divisible pool taxes between the federation and provinces.
2. Grants-in-aid to the provinces from the federal government.
3. The borrowing powers of the federal and provincial governments.
4. Any other matter referred to the Commission by the President.

This constitutional mandate ensures that the economic framework within Pakistan remains up-to-date, fair, and reflective of changing economic realities.

## **The Divisible Pool and Its Significance**

The divisible pool includes major federal taxes such as:

- Income Tax
- Sales Tax
- Wealth Tax (historically)
- Capital Gains Tax
- Custom Duties
- Federal Excise Duties (excluding those on petroleum)

These are the main revenue sources of the federal government, and since provinces have limited tax-raising powers (mostly agriculture tax, property tax, provincial excise duties, and certain services taxes), the divisible pool distribution is crucial for provincial financial stability. Each NFC Award determines what percentage of these revenues the provinces will receive and how those revenues will be divided among them.

#### **Evolution of NFC Awards**

Before independence, revenue-sharing arrangements existed between the central government and the provinces. After independence, Pakistan introduced different finance commissions leading to NFC Awards after the 1973 Constitution.

#### **1st NFC Award (1974)**

- Provinces received 20% of the divisible pool.
- Distribution was mainly based on population.

**2nd NFC Award (1979)**

- Increased provincial share to 22.5%.
- Still heavily dependent on population.

**3rd NFC Award (1985)**

- Provincial share increased to 28%.

**4th NFC Award (1990)**

- Introduced slight adjustments but maintained population as the only basis for distribution.

#### **5th NFC Award (1996)**

- Provinces received 37.5% of the divisible pool.
- Still based purely on population.

#### **7th NFC Award (2009)**

This is the most important award in Pakistan's financial history. It significantly changed the distribution formula and increased provincial autonomy.

#### **The 7th NFC Award (2009) – A Landmark Achievement**

The 7th NFC Award is considered a turning point because it adopted multiple criteria instead of relying solely on population. These criteria include:

1. Population (82%)
2. Poverty and backwardness (10.3%)
3. Revenue collection or generation (5%)
4. Inverse population density (2.7%)

This multi-factor formula was revolutionary because:

- It acknowledged disparities between provinces.

- It recognized that less developed provinces needed more financial support.
- It rewarded provinces that contributed more to revenue generation.
- It compensated provinces with large areas but less population.

Under this award:

- Provincial share in the divisible pool increased from 47.5% to 57.5%.
- Sindh, Khyber Pakhtunkhwa (formerly NWFP), and Balochistan received higher shares due to the new

formula.

- Balochistan was guaranteed a minimum revenue, enhancing its fiscal security.

#### **Key Principles Behind NFC Distribution**

1. **Equity and Fairness:** Distribution must reflect different provinces' needs and contributions.
2. **Fiscal Decentralization:** Provinces require sufficient funds to fulfill their responsibilities after the 18th Amendment.



3. **Balanced Development:** Undeveloped regions must receive higher shares so disparities do not widen.

4. **National Unity:** Fair distribution reduces political tensions and strengthens federal harmony.

5. **Efficiency:** Provinces must have incentives to improve tax collection and governance.

#### **Role of the NFC in Provincial Autonomy**

After the 18th Constitutional Amendment in 2010, many federal subjects were devolved to the provinces, including:

- Education

- Health
- Agriculture
- Social welfare
- Environment
- Local government

This increased responsibility required enhanced financial resources. The NFC Award serves as the backbone of provincial autonomy, ensuring provinces have sufficient revenue to manage devolved subjects. Without the NFC

Award, provincial governments would struggle to finance their administrative and development functions.

#### **How NFC Awards Improve Governance**

- 1. Greater financial control enables better planning.**
- 2. Provinces can tailor development projects to local needs.**
- 3. Improves accountability because provincial governments directly manage more funds.**
- 4. Encourages tax reforms and resources mobilization at the provincial level.**

#### **Importance of the NFC Award in Economic Development**

1. **Provincial Development:** Sectors like health, education, and infrastructure depend heavily on NFC transfers.
2. **Reduction of Regional Disparities:** Backward provinces like Balochistan and interior Sindh benefit from higher allocations.
3. **Enhanced Public Services:** More funds mean better public facilities.
4. **Macroeconomic Stability:** Predictable transfers help provinces maintain budgets and investment levels.

## **5. Strengthening of Democracy:** Fair distribution fosters political stability and national unity.

### **Challenges in NFC Implementation**

Despite its significance, the NFC Award system faces several challenges:

#### **1. Federal Fiscal Deficit**

The federal government often struggles with high expenditures (defense, debt servicing) and limited revenues, making it difficult to transfer funds smoothly.

#### **2. Provincial Tax Collection Issues**

Provinces rely heavily on NFC transfers and fail to expand their own tax bases.

#### **3. Disagreements Among Provinces**

Population-based formulas often create tensions among provinces, especially following census results.

#### **4. Political Complications**

Frequent changes in governments delay NFC negotiations.

#### **5. Delay in New NFC Awards**

Although NFC should be awarded every 5 years, delays have become common.

#### **Why NFC Awards Are Sometimes Delayed**

1. Census disputes.
2. Political instability.
3. Competing provincial interests.

4. Federal government's financial constraints.

5. Lack of consensus on new resource-sharing formulas.

#### **Importance of NFC for National Unity**

A fair NFC Award reduces grievances of smaller provinces. Historically, provinces like Balochistan complained of marginalization and unfair resource allocation. By giving them higher shares based on backwardness and area, the NFC Award supports political harmony, equitable development, and national integration.

#### **Impact of NFC Award on Each Province**

**Punjab**

- Largest population share, remains the highest receiver.
- Rewards for revenue generation encourage improved tax governance.

#### **Sindh**

- Gains from revenue generation component due to Karachi.
- Poverty and backwardness factors boost interior Sindh's relative share.

#### **Khyber Pakhtunkhwa**



- Conflict and war-on-terror compensation built into the award.
- Backwardness and population density improve its position.

#### **Balochistan**

- Biggest beneficiary due to backwardness and area.
- Receives guaranteed minimum allocation.
- Helps stabilise a historically underfunded province.

#### **Role of Federal and Provincial Finance Commissions**

- The federal government forms the NFC.
- Provinces create Provincial Finance Commissions (PFCs) to distribute resources further to districts and local governments.

This tiered structure ensures that equitable financial distribution reaches the grassroots level.

#### **NFC and the 18th Amendment**

The 18th Amendment strengthened the role of NFC by:

- Expanding provincial powers.
- Increasing revenue dependency on provincial budgets.

- Mandating greater fiscal discipline.

The NFC Award is, therefore, the financial backbone of Pakistan's decentralization framework.

#### **Economic Impact of Delays in NFC Awards**

1. Provinces continue operating under outdated formulas.
2. Backward regions suffer due to outdated development needs.
3. Rising expenditures without updated revenue formulas create budget deficits.

4. Overburdening the federal government with increasing obligations.

## **Conclusion**

The National Finance Commission Award is a cornerstone of Pakistan's federal financial system. It ensures equitable distribution of resources, strengthens provincial autonomy, supports development, reduces regional disparities, and enhances national unity. The 7th NFC Award is particularly historic for introducing a multi-indicator formula that better reflects the socioeconomic realities of Pakistan. Despite challenges such as fiscal deficits, political disagreements, and census issues, the NFC Award remains vital for Pakistan's progress, intergovernmental harmony, and sustainable development. Its effective implementation is

essential not only for provincial governance but also for the overall economic and social stability of the country.

**Q. 4 Write in detail about the devolution plan in Pakistan.**

The devolution plan in Pakistan refers to the systematic transfer of administrative, political, and financial powers from the federal and provincial governments to local governments with the aim of strengthening grassroots democracy, improving public service delivery, increasing citizen participation, and promoting accountability at the local level. The concept of devolution has been part of Pakistan's governance framework since independence, but the most comprehensive and institutionalized form of devolution came under General Pervez Musharraf's government through the **Devolution of Power Plan 2001**. This plan, implemented via the Local Government Ordinance (LGO) 2001, is considered the most ambitious

effort to restructure governance in Pakistan by bringing power closer to local communities. To understand the devolution plan fully, it is necessary to examine its background, objectives, structural changes, functions, challenges, and long-term impact on Pakistan's governance landscape.

### **Historical Background of Devolution in Pakistan**

Before diving into the 2001 Devolution Plan, it is important to understand earlier attempts:

#### **1. Basic Democracies System (1959) under Ayub Khan**

- Introduced local councils at the union and district levels.

- Representatives indirectly elected the President and National Assembly.
- System was more controlled and lacked real autonomy.

## **2. Local Government Ordinance (1979) under General Zia-ul-Haq**

- Introduced local bodies elections.
- Aimed at creating a support base for military rule.
- Politically restricted and lacked administrative and fiscal devolution.



### 3. Democratic Governments (1988–1999)

- Local government elections were irregular.
- Political leadership preferred centralized control.
- No consistent local governance system was established.

Due to these inconsistencies, local governance remained weak until the introduction of the **Devolution Plan 2001**, which significantly transformed Pakistan's administrative landscape.

**Introduction of the Devolution Plan 2001**

The cornerstone of the Devolution Plan 2001 was to dismantle the centralized bureaucratic structure and empower locally elected representatives. It replaced the decades-old system of deputy commissioners with elected district nazims and established local government institutions to create a bottom-up governance mechanism. The plan was formally enforced through provincial Local Government Ordinances in 2001 in all four provinces.

#### **Core Objectives of the Devolution Plan**

### **1. Enhance Grassroots Democracy**

The plan sought to empower citizens by involving them in decision-making at the local level through elected councils.

## **2. Improve Service Delivery**

Devolution aimed to make health, education, sanitation, and infrastructure services more responsive and efficient.

## **3. Increase Accountability**

Local representatives were held responsible to their communities, ensuring transparency and reducing bureaucratic dominance.

## **4. Encourage Citizen Participation**

Creation of citizen committees and community boards encouraged active public engagement.

## **5. Weaken the Bureaucratic Control**

The role of district bureaucracy was minimized, and

more authority was given to elected officials.

## **6. Strengthen Local Government Institutions**

The plan aimed to create an integrated administrative structure that connected union councils, tehsil administrations, and district governments.

### **Structural Components of the Devolution Plan**

The local government under the 2001 plan was divided into **three tiers**:

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#### **1. District Government (Zila Government)**

This was the highest tier of local government. Major features include:

- **District Nazim** (head of district government)
- **District Naib Nazim** (deputy head)
- **District Council** (elected representatives)
- **District Coordination Officer (DCO)** replaced Deputy Commissioner
- District departments such as education, health, finance, agriculture, and public works placed under elected leadership.

The district government became the primary unit for planning, budgeting, and administrative control.

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## **2. Tehsil/Town Administration**

This was the intermediate tier of the local government.

- **Tehsil/Town Nazim**
  
- **Tehsil/Town Municipal Administration (TMA)**
  
- **Responsibilities included:**
  - Water supply
  
  - Sanitation
  
  - Town planning

- Municipal services
  - Regulation of markets
  - Construction and maintenance of roads
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### **3. Union Council**

This was the grassroots tier and the closest to the community.

- Union Nazim
- Union Naib Nazim

- Union Secretaries
- Citizen Community Boards (CCBs)

Union councils were responsible for resolving disputes, maintaining birth/marriage records, sanitation at the local level, and ensuring community welfare.

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### **Key Features of the Devolution Plan 2001**

#### **1. Political Devolution**

- Power shifted from provincial bureaucracy to elected local officials.



- District Nazim became a powerful figure directly answerable to the people.
- Elections were held on a non-party basis to encourage broad participation.

## **2. Administrative Devolution**

- Line departments such as education, health, agriculture, and revenue were placed under district government.
- DCO became the administrative head, reporting to District Nazim.

- Executive authority was significantly localized.

### **3. Financial Devolution**

- Local governments were given financial autonomy through:
  - Provincial transfers
  - Own-source revenue (taxes, fees, fines)
  - Development grants
  - Funds allocation for CCBs

- Provinces established **Provincial Finance Commissions (PFCs)** to distribute funds fairly.

#### 4. Citizen Participation

- **Citizen Community Boards (CCBs)** allowed communities to propose and implement development projects by contributing 20% of project costs.
- **Musalihat Anjuman** was created to resolve local disputes peacefully.
- **Public Safety Commissions** were established to ensure police accountability.

#### 5. Accountability and Transparency

- Local government representatives were responsible to local citizens.
- Monitoring committees were created at every level.
- Annual audits were to be conducted for all financial activities.

#### **Achievements of the Devolution Plan**

##### **1. Increased Public Access to Government**

People could easily reach local representatives compared to provincial or federal authorities.

##### **2. Empowered Local Elected Leaders**

District nazims had authority to plan development

and manage local services.

### **3. Improved Service Delivery**

In some districts, health and education services became more responsive.

### **4. Strengthening of Local Democracy**

The 2001 elections brought thousands of new leaders into politics.

### **5. Better Financial Distribution**

Local governments received funds directly, reducing bureaucratic delays.

### **6. Higher Citizen Participation**

CCBs empowered local communities to initiate

development projects.

### **Challenges and Criticisms of the Devolution Plan**

Despite the positive aspects, the plan faced several challenges:

#### **1. Political Resistance**

- Provincial governments saw the plan as a threat to their power.
- Eventually, many powers were taken back from local governments.

#### **2. Bureaucratic Reluctance**

- Bureaucracy feared loss of control and often resisted administrative changes.

### **3. Weak Capacity**

- Many local governments lacked capacity in planning and financial management.

### **4. Financial Constraints**

- Local governments depended heavily on provincial transfers.
- Own-source revenue was insufficient.

### **5. Lack of Continuity**

- Successive democratic governments often did not support Musharraf's system.
- Local governments were dissolved repeatedly.
- The 2001 system was replaced by new local government laws in each province after 2010.

#### **6. Uneven Implementation**

- Some districts functioned well, others struggled due to limited skilled personnel and resources.

#### **Post-2001 Developments in Devolution**



After the 18th Amendment (2010), provinces gained greater autonomy and developed their local government acts:

- **Punjab Local Government Acts 2013 & 2019**
- **Sindh Local Government Act 2013**
- **Khyber Pakhtunkhwa Local Government Act 2013 & 2019**
- **Balochistan Local Government Act 2010**

While these laws kept the idea of local government alive, none replicated Musharraf's extensive district-level empowerment.

## **Long-Term Impact of Devolution in Pakistan**

### **1. Political Empowerment**

Local democracy expanded as new leaders emerged from the grassroots.

### **2. Administrative Restructuring**

The role of bureaucracy transformed and became more accountable.

### **3. Increased Public Participation**

CCBs and local councils increased citizen involvement in governance.

### **4. Awareness of Local Governance**

People became more aware of their roles and rights

at the local level.

## **5. Foundation for Future Local Governance**

Although the system has changed, the 2001 plan laid the foundation for strong local governance in Pakistan.

### **Conclusion**

The devolution plan in Pakistan, particularly the Devolution of Power Plan 2001, was a landmark reform aimed at redistributing political, administrative, and financial authority to local governments. It significantly altered the governance landscape by empowering local representatives, reducing bureaucratic control, increasing citizen participation, and improving service delivery. While

the system faced challenges such as political resistance, bureaucratic pushback, and lack of continuity, its long-term impact has been substantial in shaping local governance structures. The devolution plan remains a crucial part of Pakistan's political history, highlighting the importance of decentralization, democratic participation, and responsive governance at the grassroots level.

**Q. 5 What are the key principles of good governance?**

**How do they contribute to effective government functioning? Explain in detail.**

Good governance refers to the system, processes, and institutions through which a government operates effectively, transparently, and responsibly to serve its citizens. It ensures that political, economic, and administrative authority is exercised in a way that promotes development, protects rights, and delivers services efficiently. International bodies such as the United Nations (UN), World Bank, and OECD consider good governance the backbone of stable, progressive, and democratic societies. In Pakistan as well, the principles of good governance are essential for overcoming corruption,

weak institutions, political instability, and poor service delivery.

The concept rests on several key principles, each contributing to building an effective, reliable, and citizen-centered government. These principles ensure that power is exercised fairly, resources are managed responsibly, and decision-making remains inclusive and transparent. Below is a detailed explanation of each principle and how it contributes to the functioning of an effective government.

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### **1. Rule of Law**

The first and most fundamental principle of good governance is adherence to the rule of law. This means that:

- Everyone is equal before the law
- Laws are applied fairly and consistently
- Justice is accessible to all
- Institutions operate within the legal framework

### **How It Supports Government Functioning:**

Rule of law prevents misuse of authority and arbitrary decision-making. When laws are clear and consistently enforced, trust in government increases. It also ensures protection of human rights, reduces corruption, and provides a stable environment for businesses and citizens. For example, an efficient legal system encourages

investment as investors know contracts will be enforced fairly.

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## **2. Transparency**

Transparency means that government actions, decisions, and processes are open to public scrutiny. This includes:

- Providing access to information
- Publishing budgets, reports, and decisions
- Ensuring open bidding in public procurement
- Using e-governance tools for public access



## **How It Supports Government Functioning:**

Transparency builds public trust and minimizes corruption because citizens can see how decisions are made and where public funds are spent. It creates accountability as officials cannot hide misuse of resources. For example, publishing government procurement details online reduces chances of favoritism and fraud.

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### **3. Accountability**

Accountability means that government officials and institutions are answerable for their actions and decisions.

This principle applies to:

- Politicians

- Civil servants
- Public institutions
- Local government leaders

### **How It Supports Government Functioning:**

When individuals in power know they must justify their actions, they perform duties responsibly. Accountability strengthens the integrity of public administration and ensures efficient service delivery. Mechanisms such as audits, parliamentary oversight, courts, and media monitoring help maintain accountability.

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#### **4. Participation and Inclusiveness**

Good governance encourages involvement of all segments of society in decision-making, including:

- Women
- Minorities
- Youth
- Persons with disabilities
- Marginalized groups

Participation includes voting, consultations, public hearings, and community forums.

## **How It Supports Government Functioning:**

Inclusive participation ensures that decisions reflect the needs of the entire society, not just a few groups. It strengthens democracy and creates a sense of ownership among citizens. For example, involving local communities in development planning makes policies more effective and acceptable.

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### **5. Responsiveness**

Responsiveness means that institutions and authorities respond quickly and appropriately to public needs and complaints. Government should:

- Provide timely services

- Address citizen concerns
- Solve public problems without delay

### **How It Supports Government Functioning:**

A responsive government ensures citizen satisfaction, reduces frustration, and upholds trust in state institutions. For instance, quick action during floods or public health emergencies shows effective governance.

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### **6. Effectiveness and Efficiency**

Efficiency means achieving results with minimal waste of resources, while effectiveness means delivering the expected outcomes. An efficient government:

- Utilizes resources wisely
- Reduces duplication of work
- Promotes merit-based hiring
- Implements policies that bring real results

### **How It Supports Government Functioning:**

Efficient systems reduce costs and improve service quality. For example, digitizing tax collection makes revenue generation faster and reduces corruption, improving government performance.

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## **7. Equity and Fairness**

Equity means equal opportunities, access, and treatment for all citizens regardless of gender, religion, ethnicity, or socioeconomic status. Fair governance protects vulnerable groups and ensures:

- Equal access to justice
- Fair distribution of resources
- Social protection for the poor

### **How It Supports Government Functioning:**

A fair society experiences less conflict and inequality. When citizens feel they are treated equally, social stability increases. Equitable distribution of public goods—schools,

hospitals, roads—promotes balanced development across regions.

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## **8. Strategic Vision**

A government must have a long-term vision for national progress. Leaders should:

- Understand societal needs
- Set long-term goals
- Anticipate future challenges
- Design policies that ensure sustainable development



## **How It Supports Government Functioning:**

Strategic planning helps governments prepare for future crises such as climate change, energy shortages, or rapid population growth. Clear vision ensures continuity in national priorities even when leadership changes.

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### **9. Consensus-Oriented Decision-Making**

Good governance focuses on balancing different interests within society. Governments should:

- Engage stakeholders
- Negotiate conflicting interests
- Promote harmony

- Create policies supported by most groups

### **How It Supports Government Functioning:**

Consensus-building reduces political polarization and promotes stability. It ensures policies remain steady even during leadership changes. For example, agreeing on a national education policy with input from all provinces creates long-term continuity.

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### **10. Control of Corruption**

Corruption is a major threat to good governance. Control of corruption includes:

- Strong anti-corruption laws

- Independent accountability institutions
- Transparent financial systems
- Whistleblower protection

### **How It Supports Government Functioning:**

When corruption is minimized, public resources are used effectively and trust in government improves. Countries with low corruption rates perform better in economic growth and social development.

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### **How These Principles Contribute to Effective Government Functioning**

Combining these principles results in a government that functions smoothly and earns citizen trust. Their contributions can be summarized as follows:

**1. Improved Public Service Delivery**

Efficient institutions provide timely access to health, education, water, and security. Transparency and accountability ensure resources are allocated properly.

**2. Strengthened Public Trust**

Citizens trust governments that act fairly, solve problems, and respond quickly. Trust enhances social stability and cooperation.

**3. Higher Economic Growth**

Rule of law, efficiency, and control of corruption create a business-friendly environment that attracts investment and boosts economic activity.

#### **4. Reduced Corruption**

Transparent processes and accountability mechanisms reduce opportunities for bribery, fraud, and misuse of public funds.

#### **5. Enhanced Citizen Participation**

When citizens are involved, policies become more realistic, acceptable, and effective.

#### **6. Sustainable Development**

Strategic planning ensures balanced use of resources, environmental protection, and long-term national progress.

#### **7. Political Stability**

Consensus-oriented decisions and equitable governance reduce conflict, leading to a stable political environment.

#### **8. Social Justice and Equality**

Equity ensures that vulnerable groups receive equal treatment, reducing discrimination and promoting social harmony.

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## **Conclusion**

Good governance is the foundation of a stable, prosperous, and democratic society. Its principles—rule of law, transparency, accountability, participation, responsiveness, efficiency, equity, strategic vision, consensus-building, and corruption control—ensure that governments serve citizens effectively. By implementing these principles, countries like Pakistan can strengthen their institutions, reduce corruption, promote economic growth, improve service delivery, and establish a more just and harmonious society.

