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A Comparative Analysis of Ownership of Natural Resources in India, Canada, and Australia and its Impact on Federalism

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ABSTRACT

Based on the existence or absence of a separation of powers between the federal and provincial administrations, a state can be categorized as federal or unitary. In a unitary system, power is centralized in the central/national government, while it may delegate some authority to local governments. In a federal system, the Constitution legally divides the powers between the center/federal and states/provinces. The idea of federalism is crucial to comparative politics. Federalism has also been utilized by certain academics to examine regionalization and regionalism in regional studies and international politics. The value of federalism has been a topic of discussion. The days of federalism are over, according to Harold J. Laski's opinion from the first part of the 20th century. It is a system whereby numerous, fairly autonomous pieces are brought together to form a whole. It alludes to a system of government that is structurally and operationally divided between national governments and their constituent provinces or states. This associational link is inevitably reflected in the political institutions, their makeup, and the ways in which federal states operate. In this paper the researcher intends to discuss the ownership of natural resources and its impact on the federal character of the countries like India, Canada, and Australia. The researcher has also discussed the exploitation of the natural resources. The researcher has also tried to compare and has suggested suggestions for the better functioning of the country.

Keywords: *Ownership, Natural Resources, Federalism, Impact, Exploitation, Management.*

I. INTRODUCTION

“Federalism is a political system which creates in a society broadly two levels of government with assigned powers and functions originating from a variety of factors and political bargain, and displaying a tendency to persist through active response to the challenges of changing environment by the process of adaption through creative modes of institutional as well as functional relationship.”² But in most federation, three levels of government but the

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² Sharda Rath, *Federalism: A Conceptual Analysis* 39(4) IPSA (1978) .

constitutional guarantees are not extended to the. The relationship between the federal government and its constituent parts is binary. Like under a unitary system, the component units confer authority to the local government. Because one level of government in a federal system restrains the others, a meaningful balance of power must be maintained between them.

Wheare observed, “There is one general tendency in all federal government, the general governments have grown stronger.”³ Centralization has grown faster, for instance in Australia it is quite pronounced as compared to Canada.⁴ Quebec nationalism has retained the provincial powers in Canada. But there has always been a conflict between the levels of government where, the provincial powers are ‘unprecedented betrayal of national interest.’⁵ But this concept is taking a turn wherein it has been realized that due the industrialization the regions and the localities are highly affected. The natural resource is a major source of economic well-being in a country and at the same time the conflict between the national and the regional government regarding ownership which countries like Canada and Australia are facing since World War II.⁶ The terms ‘nature’ and ‘natural resources’ are used synonymously and refer to those that exist independently of human beings, for instance, land in its unimproved condition, resources such as oil, coal, gas, gold, diamonds, silver, iron ore, excluding the value due to exploration, extraction, and transport. John Rawls argues that “talents should be regarded as a common pool, and that anyone who has more than an average share should compensate those who have less. Such a principle provides a theoretical basis in moral philosophy for a social welfare system that assists the genetically less-privileged members of society.”⁷

II. POWER TO EXPLOIT THE NATURAL RESOURCES IN INDIA, CANADA, AND AUSTRALIA

(A) India:

A large variety of natural resources, including forests, minerals, water, wildlife, and other kinds of plants, are abundant in India. However, the exploitation of these resources has brought up a number of issues for the nation, including pollution, resource depletion, and environmental damage.

³ Wheare, *Federal Government*, 236.

⁴ Jan Erk, *Explaining Federalism: State, Society and Congruence in Austria, Belgium, Canada, Germany, and Switzerland* (2007).

⁵ Garth Stevenson, *Unfulfilled Union: Canadian Federalism and National Unity* (2nd edn, 1982).

⁶ Richard Cullen, *The Encounter between Natural Resources and Federalism in Canada and Australia* 24 U Brit Colum L Rev 275 (1990).

⁷ John Pullen, *An Essay on Distributive Justice and the Equal Ownership of Natural Resources* 72 (5) Am J Econ Sociol (2013).

Numerous developing nations have been observed to have implemented some sort of decentralization reform in the management of natural resources.⁸ Similar to China, India had centralized management and control, and it wasn't until the 1990s that decentralization efforts were made as developmental theories began to lose their centralized perspective.⁹ According to the World Bank, in order for benefits to be distributed, public goods and services should be delivered by the lowest level of government.¹⁰ An additional idea from the "moral economy" or "populist" school of thinking.¹¹ It alludes to the conventional approach to resource management, whereby local groups used their own set of laws to sustainably manage their natural resources. There have been numerous attempts to decentralize the management and governance of natural resources; one such approach is the administrative, which involves partnerships between line user groups centered around a specific resource, such as forest management, canal irrigation, tank irrigation, and watershed development. Interactions between

- a) Central authorities and local governments and
- b) Local governments and other local players,

involved in or affected by the administration of the forests are the two main sectors for decentralization.¹²

(B) Canada

Natural resources, or the natural advantage of the people, have shaped Canada's history and opened doors for generations of Canadians. It all started with the predecessor, the Geographical Survey of Canada, which was founded prior to Confederation and evaluated the country's mineral richness as well as its soils and rivers. The organizations devoted to natural resources increased over time in tandem with Canada's expansion.

Power to exploit the natural resources

Canadian Federalism is unique due to the level of authority granted to the provincial governments. The management, trade, taxes, and revenue-raising responsibilities between the provincial and federal governments have always been in balance. It has been stated that the provinces manage the resources and trade them more effectively than the central government,

⁸ World Bank, World Development Report 2000/1: Attacking Poverty (Washington DC: World Bank, 2000).

⁹ Eric Lambin, Helmut Geist and Erika Lepers, *Dynamic of Land-use and Land-cover Change in Tropical Regions*, 2(3) Annu Rev Environ Resour 205- 241 (2003),

¹⁰ World Bank, World Development Report 2000/1: Attacking Poverty (Washington DC: World Bank, 2000).

¹¹ Pari Baumann, Panchavati Raj and Watershed Management in India: Constraints and Opportunities (London: Overseas Development Institute, Working Paper No. 114, 1998) <<http://www.odi.org.uk/resources/download/2177.pdf>>.

¹² Sonali Pattanaik, *Community Forest Management in Orissa* (2002) 1(2) Community Forest.

which is the reason for this. Conflict results from the constitution's sealed chamber. The interdependence between resource management and trade must always be kept in mind, necessitating their accommodation. However, in reality, some functions are shared or delegated, although not by one level of government alone.¹³

Many exclusive powers were established for both the national government and the provinces following the BNA Act, 1867, modification. The national government of Canada had the authority to enact laws that would ensure the country's peace, stability, and good governance. Provincial governments, on the other hand, largely controlled matters of a local or private nature, as well as the country's jurisdiction over matters pertaining to property rights, health and welfare, education, and welfare.

The Supreme Court of Canada put significant limits on the power of the provinces to manage and tax natural resources within their boundaries.¹⁴ However, there have been developments, in 1982, when the Canadian Constitution was patriated, the powers of the provinces over the natural resources were increased by the insertion of section 92A gave the rights of the provinces to levy indirect taxes, manage and conserve the natural resources, and also to legislate it.¹⁵

Both the federal government and the provincial government had policies to promote the development by the private sector and the idea coincided as there were no constitutional powers clearly for the removal of the inconsistency of the laws hence the concurrent responsibility was neglected.

The BNA Act gave sole power over natural resources to the provinces after it was suggested in a discussion that the federal government recognize the right of the provinces to tax income derived from the exploitation of their natural resources.¹⁶ Because of the shared jurisdictions, there have always been contradictions in federalism. There were occasional disagreements between the provincial and federal governments prior to World War II, which led to conflicts of interest.

(C) Australia

Australia is rich in natural resources that have played a significant role in the country's economic

¹³ THOMAS O. HUEGLIN AND ALAN FENNA, *COMPARATIVE FEDERALISM A SYSTEMATIC INQUIRY* (2nd edn. University of Toronto Press 2015).

¹⁴ *Canadian Industrial Gas and Oil Co. v. Saskatchewan* [1978] 2 S.C.R. 545, 18 N.R. 107.

¹⁵ W. D. Moull, *Section 92A of the Constitution Act 1867* (983) 6i Can. Bar Rev. 715; and Moull, *Natural Resources and Canadian Federalism: Reflections on a Turbulent Decade* 25 Osgoode Hall L.J. 411 (1987) .

¹⁶ M. W. BUCOVETSKY, *THE MINING INDUSTRY AND THE GREAT TAX REFORM DEBATE, PRESSURE GROUP BEHAVIOUR IN CANADIAN POLITICS*, ED. A. P. PROSS (Toronto, Ontario: McGraw Hill-Ryerson, 1975).

growth and development. The country is home to the world's largest deposits of bauxite, iron ore, and nickel. It is also the third-largest producer of gold, lead, and uranium. The agricultural sector in Australia is another significant contributor to the country's economy, and the country is the world's largest exporter of wool, beef, and sugar. The diverse range of minerals and natural resources in Australia has led to the development of various industries, including mining, agriculture, and fishing.

As a result, these industries have created job opportunities and contributed to the economy's growth. Australia's natural resources have also influenced the country's environmental policies and conservation efforts. The country has implemented strict measures to protect its natural resources, such as the Great Barrier Reef, which is the world's largest coral reef system. Pertinently, the availability of natural resources has also influenced Australia's federalism, as the federal government collaborates with state and territory governments to manage the resources sustainably. In conclusion, Australia's natural resources have and continue to play a significant role in the country's economic, environmental, and political growth and development.

Australia has the world's largest reserves of brown coal, which is a type of low-grade coal often used in electricity generation. The country is also the world's largest exporter of coal and iron ore. Natural gas is another vital natural resource that Australia possesses. In addition to these resources, Australia is also rich in gold, nickel, and copper. The country is ranked as the second-largest producer of gold globally, with most of the gold coming from Western Australia. Copper and nickel are also significant resources for the country, and Australia is the world's fourth-largest producer of nickel.

Management of natural resources in Australia:

In Australia, the management of natural resources is primarily the responsibility of state and territory governments with the federal government playing a coordinating role. The federal government has established several programs and policies to promote sustainable management of natural resources. The National Land Care Program provides funding for community-based natural resource management projects across Australia. The Australian government has also established the National Reserve System, which aims to protect Australia's unique biodiversity by establishing a network of protected areas.¹⁷ Additionally, the federal government has implemented several policies to promote the sustainable management of water resources,

¹⁷ Richard Cullen, *The Encounter between Natural Resources and Federalism in Canada and Australia* (1990) *supra* note 5.

including the National Water Initiative, which aims to improve water management practices across Australia.

However, the management of natural resources in Australia is not without its challenges.¹⁸ The country's vast size, climatic extremes, and fragile ecosystems make it difficult to implement effective management strategies. There is also increasing pressure to balance economic development with environmental protection. Despite these challenges, Australia continues to be a leader in the sustainable management of natural resources, with its policies and programs serving as a model for other countries facing similar challenges.¹⁹

Australia has a unique federal system that empowers its states to assume control over most natural resources within their borders. This allows the states to regulate and manage the resources in a way that reflects local needs and values. However, while the decentralization of natural resource management in Australia ensures that local interests are represented, it limits the ability of the national government to manage the country's resources as a whole.

Therefore, it is evident that the management of natural resources is a complex and multifaceted process. The role of the federal government in resource management varies greatly depending on the country, but it is clear that it is crucial in establishing effective management policies to ensure the sustainability of these resources for future generations.

III. COMPARISON OF OWNERSHIP RIGHTS OF THE NATURAL RESOURCES IN INDIA, CANADA, AND AUSTRALIA

The federal government plays a crucial role in the management of natural resources in the three countries under consideration, India, Canada, and Australia. In India, the central government controls the management of all major minerals, while the state governments have more control over minor minerals. Contrarily, Canada deals with the management of natural resources through a complex web of intergovernmental agreements and modern treaties and also maintains separate agreements with indigenous peoples to manage natural resources responsibly.

Ownership creates security, wealth and stewardship, and concentration of ownership of a resource can have negative consequences on power and control imbalances.²⁰ The natural resource is a wide range indeed.²¹

¹⁸ Vanessa Casado Perez, *Ownership Concentration: Lessons from Natural Resources* 117 Nw U L Rev 37 (2022).

¹⁹ *ibid.*

²⁰ Vanessa Casado Perez, *Ownership Concentration: Lessons from Natural Resources* 117 Nw U L Rev 37 (2022).

²¹ Richard Cullen, *The Encounter between Natural Resources and Federalism in Canada and Australia* (1990) (*supra* note 5).

(A) Ownership Rights Of The Natural Resources In India:

Natural resources in India are owned and managed by both the central and state governments. The Constitution of India provides for the ownership and control of these resources under three categories:

Union List - The central government has exclusive power to legislate on the exploration, extraction, and management of minerals, oil, and natural gas. (Entry 6, 53, 54, 55, 57)

State List - The state governments have the power to manage and regulate land, water, forests, and fisheries. (Entry 23)

Concurrent List - Both the central and state governments can make laws on the management of natural resources such as wildlife, water pollution control, and prevention of soil erosion. (Entry 17A, 17B)

However, in recent times, the state governments have been asserting their rights over natural resources, particularly minerals, due to revenue generation and regional development purposes. This has led to conflicts between the central and state governments, resulting in the need for cooperative federalism to manage natural resources efficiently.

The concept of permanent sovereignty over natural resources was said to be the right of people to freely dispose of their natural own resources.²² This meant that each state should be the master of its own wealth and dispose of natural wealth and resources in its territory for the benefit of its own people.²³

The concept of permanent sovereignty over natural resources has been incorporated as a crucial component in the Charter of Economic Rights and Duties (CERDS)²⁴ and the Declaration of Right to Development because a state's development, especially economic development, depends on the exploitation of its own natural resources.²⁵

The states have complete ownership and control over their natural resources, and they are free to use them however they see right for the advancement of their economies.²⁶

"Natural resources belong to the people but the State legally owns them of its people and from

²² U.N.General Assembly Resolution on Permanent Sovereignty over Natural Resources, GA Res 1803 (XVII), Dec. 14 of 1962.

²³Kamal Hossain, "Introduction" in Kamal Hossain and Subrata Roy Chowdhry (eds.), Permanent Sovereignty Over Natural Resources in International Law principle and Practice XIII (Francis Pinter, London, 1984).

²⁴ Official records of the General Assembly, thirtieth sess., sixth committee, September 17-December 5, 1975), p. 108, para 38; A/C.6/SR.1547 (October 23, 1975).

²⁵ Declaration of Right to Development.

²⁶A.David Ambrose, *Sustainable Development of Natural Resources and Env Duties in International Law* 4 SBRRM Journal of Law (1997)

that point of view natural resources are considered as national assets, more so because the State benefits immensely from their value".²⁷ However, the Supreme Court has previously stated that "We hold that the natural resources are not ownership of any one State or individual, public at large is its beneficiary" in the case of *T.N. Godavarman Thirumulpad v Union of India*²⁸. The judiciary has placed a strong emphasis on the fact that while natural resources are legally owned by the state on behalf of the actual owners—the people—the people should profit from them and the benefits must be shared by the entire country.

(B) Comparison Of Ownership Of Natural Resources In Canada And Australia

Natural resource and federalism is divided into two major parts i.e. the onshore resources and the offshore resources as the offshore disputes form a separate and highly comparable category. The disputes in Canada and Australia emerged after the 2nd World War. During the 19th century both the countries were focused on offshore petroleum and the constitutional documents gave no explicit guidance as to which level of government ought to control these resources.

a) Onshore Resources

In Canada, fur trade and fishing were dominant, and subsequently forests, agricultural products, gold, and other mineral discoveries became prominent. While in Australia, wool and gold were dominant. In both countries there was an impact of the federation on resource development.

Canada

Each of the original four provinces, namely Ontario, Quebec, Nova Scotia, and New Brunswick, received the land rights to all lands, mines, minerals, and royalties in 1867. The unclaimed wastelands were kept by the three prairie provinces of Manitoba, Saskatchewan, and Alberta following several "Natural Resource Agreements" and a request to the UK Parliament to approve the Constitution Act, 1930. As a result, the provinces were placed on an equal footing and each received ownership of the natural resources found in these regions.

Australia

The new onshore resource exploitation increased since World War II in Australia. In Western Australia (iron ore, gold, nickel, and diamonds) in Queensland (coal and bauxite), New South Wales had significant growth in coal mining for export, in Victoria, coal mining for electricity production increased and aluminum smelting, in Tasmania, hydro-electricity resources and Northern Territory for uranium. For managing these states crafted and adapted their own

²⁷ Centre of public interest litigation v Union of India (2012) 3 S.C.C. 1 (India).

²⁸ N. Godavarman Thirumulpad v Union of India (2002) 10 S.C.C. 606 (India).

regimes but later there were Commonwealth overrides due to environmental threats. The High Court in *Murphyores Inc. Pty v Commonwealth*²⁹ endorsed the Commonwealth's use of its power over international trade and commerce to prohibit, on environmental grounds, the export of sand mined pursuant to entirely valid Queensland mining leases. There was the prohibition of the construction of a hydro dam by the Tasmanian government on state Crown land.³⁰ Finally, there was mention of section 114, which it provided a reciprocal immunity for the states and the Commonwealth against one taxing the property of the other.

b) Offshore Resources:

Since World War II, there have been disagreements between the two nations over issues such as technological advancements that made offshore petroleum exploitation feasible, known or likely commercially viable offshore petroleum resources, and advancements in international law that clarified and codified coastal nation states' rights to exploit resources beneath their adjacent continental shelf and federal political structures.

The Coastal Waters (State Title) Act of 1980 put into effect an Australian Offshore Settlement from 1979 that gave the states title to the internal waters of the sea landward of territorial sea baselines and to the three nautical mile territorial sea (collectively known as "coastal waters") without actually expanding the borders of any state.

(a) Ensure that the states have almost unrestricted authority to enact legislation governing those coastal waters. The Coastal Waters (State Rights) Act of 1980 grants the states all but plenary rights over their coastal waters in accordance with section 51 (38) of the Australian Constitution.

(b) Completely eliminate the possibility of the entire settlement being destroyed by a future adversarial federal administration without using any constitutional amendments. The Australian Constitution's use of Section 51 (31)—which permits the Commonwealth to purchase land from the states on "just terms"—presents the biggest obstacle.

Later The Atlantic Accord was signed in February 1985 and only covers the offshore zones of Newfoundland. The emerging Canadian system, in contrast to Australia, is best described as an economically locally-centered approach to offshore problem-solving.

(C) Similarities With Respect To Onshore Resources In Australia And Canada:

In Canada, the entrepreneurial activities of both levels of the Government have been of a higher order in post-World War II than in Australia where the provincial and the federal government

²⁹ *Murphyores Inc. Pty v. Commonwealth* (1975) 136 C.L.R. 1 (Aust. H.C.).

³⁰ *Commonwealth v. Tasmania* (1983) 46 A.L.R. 625 (Aust H.C.)

have entered the marketplace as mainstream i.e. the direct financiers of the resource.

Both the provinces and the states had an impact on federalism due to natural resources. Section 92A of the Canadian Constitution, 1982 has setbacks through which the provinces achieved some amelioration.

The Supreme Court in Canada showed more interest in protecting the provincial crown property from federal taxes than the High Court.

Finally, the provinces in Canada were able to achieve recognition for the natural resources whereas in Australia this was not the case.

a. Similarities With Respect To Offshore Resources In Australia And Canada:

Comparing Canada to Australia, regionalized power is evident, despite the fact that the Supreme Court of Canada, like the High Court of Australia, has strongly favored the central government with regard to offshore resources and advised it to carry out its obligations under international treaties.

While no central government has felt this in Canada, in Australia the Commonwealth's political action supersedes that of the states. Although states in Australia still have daily management control over the nearby offshore zones, Canberra will step in to take control whenever the administration does not follow Commonwealth policy. Although there was a compromise respecting territorial seas in 1979, the concession to governments was actually quite modest. Similar to Canada, regionally oriented agreements have complicated mechanisms because the corresponding provinces are entitled to 100% of all direct offshore earnings without any restrictions, regardless of how high oil prices may rise. This did not result in a firm hold of the Constitution but rather strengthened it politically. Although Australia has a tighter grip on its offshore rights than the coastal provinces of Canada, it still has a less secure hold overall.

IV. IMPACT OF OWNERSHIP OF NATURAL RESOURCES ON FEDERALISM

India, Canada, and Australia are all federal countries with the ownership of natural resources distributed between the federal government and state/provincial governments. The impact of this distribution on federalism varies among the three countries.

The comparison of the impact of natural resources on federalism in India, Canada, and Australia reveals several significant differences and similarities. While Australia and Canada heavily rely on their resource sectors, India has a diversified economy and a lower dependence on natural resources. These differences have played a major role in shaping the federal structures of each country. In Canada, the resource sector has shaped the distribution of powers between the

federal and provincial governments. On the other hand, Australia has a highly centralized federal system with strong resource-dependent states. In contrast, in India, the federal structure plays a crucial role in managing the distribution of resources, as it is a highly populated country with diverse cultures and needs. It is important to note that despite these differences, all three countries have faced challenges associated with the development and management of natural resources. These challenges include environmental impacts, regulation, revenue sharing, and the need to address the interests of different communities. Overall, a comparative analysis of natural resources demonstrates that federal structures must be adaptable to the unique circumstances of each country's resource sector to ensure a sustainable and equitable distribution of benefits.

(A) India

India has a complex ownership structure of natural resources, with ownership vested in the federal government, state governments, and private corporations. The Constitution of India grants both the federal government and state governments the power to regulate and develop natural resources. However, the main revenue-generating natural resources, such as oil and gas, coal, and minerals, are mostly owned by the federal government. This centralization of ownership has resulted in conflicts with state governments over revenue-sharing and environmental issues. For example, the state government of Odisha has been demanding a larger share of royalty for iron ore mining in the state, but the federal government has not acceded to the demand.³¹ The centralization of natural resource ownership in India has weakened federalism by limiting the autonomy of state governments.

Natural resources have a significant impact on Indian federalism, as different regions have varying levels of access and control over them. Some of the key ways in which natural resources affect Indian federalism are:

1. **Resource distribution:** India is blessed with a diverse range of natural resources, including minerals, forest resources, fertile land, water, and energy. The distribution of these resources is not uniform across the country, with different states having varying levels of access and control over them. This can lead to conflicts over resource sharing and allocation, creating tensions between states and the central government.

2. **Revenue generation:** Natural resources play a crucial role in revenue generation for both the central and state governments. States that have access to valuable resources like minerals

³¹ A. David Ambrose, *Directive Principles Of State Policy And Distribution Of Material Resources With Special Reference To Natural Resources – Recent Trends* 55 JILI (2013).

and oil can generate significant revenue from them, contributing to their economic development. However, this can also create imbalances in the distribution of wealth and power among states, leading to inequities in development.

3. Environmental protection: Natural resources are also an important aspect of environmental protection in India. The central government has the power to regulate activities that affect natural resources, such as mining and deforestation. However, state governments also have a role to play in protecting resources within their jurisdiction. This can create conflicts between the central and state governments over environmental regulation and enforcement.

4. Regional identity: Natural resources are often closely tied to the cultural and regional identity of different states in India. For example, the forests of the northeast are an important part of the region's cultural heritage and are central to the livelihoods of many local communities. As such, states may feel a strong sense of ownership and control over these resources, leading to calls for greater autonomy from the central government.

(B) Canada

Natural resource ownership is decentralized in Canada, with the provinces holding the majority of the resources that are located inside their borders. This decentralized organization is acknowledged by the Canadian Constitution, which also grants provinces sole control over their natural resources. Within provincial borders, the federal government has little authority to manage and develop natural resources. However, because it collects income tax from resource exploitation and distributes it to the provinces, the federal government is crucial to revenue sharing. By giving provinces more control over resource management and tax collection, this decentralized ownership structure has reinforced federalism in Canada.

The distribution and management of natural resources have long been a contentious issue in Canadian federalism. While provinces have jurisdiction over their natural resource reserves, the federal government plays a significant role in regulating and developing these resources. Currently, Canada is one of the most decentralized federal systems in the world and Canadian regionalism remains as powerful as ever, sufficiently powerful to spilt the federation.³²

Natural resources, such as oil, gas, and minerals, are major sources of revenue for many provinces, and their exploitation and management can have a significant impact on intergovernmental relations. Conflicts arise when the federal government tries to enforce policies that conflict with provincial economic goals or environmental policies.

³² THOMAS O. HUEGLIN AND ALAN FENNA, *COMPARATIVE FEDERALISM A SYSTEMATIC INQUIRY* *supra* note 13.

Furthermore, disputes between provinces over shared natural resources can further complicate matters. For example, the long-standing dispute between Newfoundland and Quebec over offshore oil and gas resources in the Gulf of St. Lawrence.

The differing interests and goals of various provinces sometimes make it difficult for the federal government to develop a coherent national strategy on natural resources.

Therefore, the impact of natural resources on Canadian federalism is complex and multifaceted, with economic, environmental, and social considerations at play.

(C) Australia

Australia has a mixed ownership structure of natural resources, with some resources owned by the federal government and some by state governments. The Constitution of Australia provides both the federal government and state governments with powers to regulate and develop natural resources. However, the federal government has a greater role in managing offshore resources, while state governments have greater powers over onshore resources. There is also a revenue-sharing scheme in place, where the federal government collects revenue from offshore resources and shares it with the states. This mixed ownership structure has had mixed effects on federalism in Australia. On the one hand, it has allowed for greater autonomy for state governments in managing their natural resources. On the other hand, it has led to conflicts between the federal government and state governments over revenue-sharing and environmental issues.

Australia's federalism is highly influenced by its natural resources. Natural resources such as minerals, agricultural products, and petroleum contribute significantly to Australia's economy. As a result, the distribution of those resources and the revenue generated from them has been a key issue in Australian federalism.

The distribution of natural resources has caused frequent conflicts between the federal government and the state governments. The federal government is responsible for regulating and controlling the exploitation and management of these resources, while the states own and control the resources.³³ According to the Australian constitution, the states have the right to exercise control over their own resources. However, as the federal government provides financial assistance to the states, it is in a position to influence the management and distribution of natural resources. The federal government can use the grants and subsidies provided to the states as leverage to enforce certain policies or extract concessions.

³³ Richard Cullen, *The Encounter between Natural Resources and Federalism in Canada and Australia* supra note 5.

Furthermore, the exploitation of natural resources has environmental implications, including land use, water management, climate change mitigation, and biodiversity protection. These issues require coordinated efforts between the federal and state governments to address them effectively.

Therefore, natural resources play a critical role in the Australian federal system. The distribution and management of these resources have significant implications for the country's economy, environment, and political landscape, and is, therefore, an ongoing subject of debate and negotiation between the federal and state governments.

V. CONCLUSION

Federalism has been affected differently depending on the ownership structures of natural resources in India, Canada, and Australia. India's centralized model has undermined federalism, whereas Canada's decentralized model has reinforced it. Mixed results have come from Australia's mixed model. The impact on federalism is greatly influenced by the ownership structure and revenue-sharing agreements.

Natural resources have a significant impact on Indian federalism, shaping the relationships between the central government and the states, and influencing regional development and identity. The effective management of these resources is crucial for the sustainable development of India as a federal nation.

When we talk about Australia we can say that natural resources play a critical role in the Australian federal system. Australia's federalism is highly influenced by its natural resources. The distribution and management of these resources have significant implications for the country's economy, environment, and political landscape, and is, therefore, an ongoing subject of debate and negotiation between the federal and state governments.

Lastly, when we talk about Canada, it has the most decentralized structure. The state has all the ownership rights of the natural resources. In the other two countries, it was seen that there is interference of the central government on the ownership rights of the state government. In India, the powers are divided in such a way that the powers belong ultimately to the central government. In Australia, there onshore and offshore resources are divided. In India, states like Jharkhand, Odisha, etc. are rich in natural resources but they cannot enjoy exclusive rights over them. This makes the states poorer. The revenues generated are not fully enjoyed by the state government which ultimately affects the federal structure of the country.

There is need for a cooperative federalism, wherein the center and the states help each other for

the proper functioning of the country. It happens that the states are not provided with proper funds to them by the center. The revenue generated by the natural resources is shared by both the center and the state but the center does not provide the state with its proper share. Therefore, for the proper and effective functioning of the country, proper funds are required.

(A) Suggestions

Based on the findings, there is a need for policy and governance reforms that prioritize sustainable development practices, transparent and accountable management of natural resources, and collaboration between federal and state levels of government. The three countries should capitalize on their natural resources to enhance economic growth, but not at the expense of environmental stewardship and local communities' rights. There should be policies that ensure the equitable distribution of revenues from oil, gas, and mineral resources to support local development initiatives. Additionally, policy reforms should address the complex intergovernmental relationships that exist within each country. In Canada, the federal government should engage with Indigenous communities in resource development processes, considering their unique rights and land claims. In India, there should be constitutional reforms that recognize the importance of local communities' rights to resources and acknowledge regional diversity. In Australia, there should be greater coordination between the federal and state governments to reduce inconsistencies in policy and governance, ensuring a more integrated approach to resource management. Ultimately, policy and governance reforms should promote sustainable and equitable management of natural resources, providing long-term benefits to all Australians, Canadians, and Indians.
