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Understanding Indian Federalism: A Deeper Dive into its Dimensions

TANYA SINHA¹

ABSTRACT

India adopted a federal structure with the democratic constitution of 1950, seeking to balance unity with regional autonomy. However, Indian federalism has witnessed significant evolution since Independence owing to political, economic and social changes. Core issues like center-state relations, distribution of powers and resource allocation have transformed over time. This research aims to analyze the changing contours of Indian federalism by exploring the key factors that have reshaped center-state ties, centralization versus decentralization debates and the overall balance of power. It will examine constitutional provisions, institutional dynamics, political compulsions, economic liberalization and the emergence of regional parties that have impacted federalism. It will also evaluate the implications of these changes on governance, democracy and national integration.

Keywords: *Center-State Relations, Distribution of Powers, Constitutional Provisions, Regional Parties.*

I. INTRODUCTION

The British had a significant influence on India's political evolution. The primary goal of British colonial control was to serve British imperial interests. Several laws were introduced during their reign, including the Government of India Acts of 1773, 1784, 1813, 1833, and 1853, which resulted in increased British control in India. Indians have had minimal participation in the legislative process since the British established direct rule in 1858. The Government of India Act of 1919 established a clear separation between provincial and central government control in the provinces. The provincial government wielded authority over administrative, legislative, and budgetary matters. The Simon Commission in 1927-29 and the Butler Commission in 1930 proposed the idea of a federal system of administration in India, which was embodied in the Government of India Act of 1935. The Act established a federation that included both British India provinces and Princely States. It described the Union's and provinces' power sharing through three lists: the Federal list, the Provincial list, and the concurrent list. To settle constitutional conflicts, federal courts were also established. However, opposition from the

¹ Author is a LL.M. student at Chanakya National Law University, Patna, India.

Indian National Congress and the Muslim League prevented federalism from being implemented under the 1935 Act. Furthermore, the outbreak of World War II slowed progress toward federalism. The Cabinet Mission Plan of 1946 sought to construct a federal constitution for India. It recommended limiting the central government's involvement to defense, foreign affairs, and communication, while giving units more authority. The Constituent Assembly was constituted to specify the authority of the proposed federal state's center and states. There were numerous debates in the Constituent Assembly about whether the constitution suggested a federal or unitary organization. The chairman of the drafting committee, B.R. Ambedkar, underlined that it was basically federal in structure, with a clear division of legislative and executive power between the Center and the States. The nature of federalism expressed in the Indian Constitution is influenced by the Canadian model and draws from the Government of India Act 1935. The Indian Constitution combines federal and unitary features to represent India's historical, social, and political situation.²

II. CONSTITUTIONAL FRAMEWORK

The Constitutional Character of Federalism in India

- Dual Government
- Written Constitution
- Division of powers between the national and regional government
- Supremacy of the Constitution
- Rigid Constitution
- Independent judiciary
- Bicameral legislature

The constitutional provisions in India relating to federalism are as follows:

Article 1 declares India to be a Union of States, defining the Indian polity's federal nature.

The seventh schedule distributes powers between the Central government (Union List) and state governments (State List), as well as specific matters on which both the government can pass laws (Concurrent List). This distribution of powers guarantees that the Central and state governments duties are clearly defined.

Article 246 divides legislative authority between the Union and the states. The Union has sole

²² Dr. R. Bagri, *Origin and Development of Indian Federalism*, Volume 9 Issue1, IJHSSI

authority to legislate on matters on the Union List, whereas the states have authority to act on subjects of the State List. The Union and the states can pass laws on the subjects of the Concurrent List.

Article 248 authorizes Parliament to make legislation on any subject not covered by the Concurrent or State List. This provision empowers the central government to legislate on matters that are not necessarily within the ambit of the states.

Article 249: It gives the Parliament the authority to legislate on matters on the State List in the national interest if it deems it necessary. This provision empowers the Central government to overrule state laws on specific issues in circumstances of national interest.

Article 250: It gives Parliament the authority to legislate on subjects of the State List during a state of emergency. During times of crisis, this law assures that the central government has the power to take control of specific affairs.

Article 252: It permits the Parliament to legislate on matters on the State List if two or more states agree. This clause promotes cooperative federalism by allowing states to collaborate on legislative implementation.

Article 356 empowers the President of India to impose the President's rule in a state if the constitutional machinery fails. In extraordinary circumstances, this provision authorizes the central government to take control of state governance.

Constitutional Provisions Regarding Centre-State Relations

Legislative Relations: The legislative contacts between the Central and state governments are governed by Articles 245 to 255 of Part XI of the Constitution.

Administrative Relations: Administrative authority is split between the Union and State Governments based on the subjects on the Union and State Lists. Articles 257–267 deal with administrative ties.

Financial Relations: The Indian Constitution has detailed provisions for dividing taxes, non-tax revenues, borrowing powers, and grants-in-aid from the Union to the States. Articles 268 to 293 detail these laws governing financial interactions between the centre and the states.

These constitutional articles offer a thorough framework for India's central and state government's separation of powers, responsibilities, and financial arrangements, creating a well-defined and functional federal system.³

³ VN SHUKLA, THE CONSTITUTION OF INDIA, 520-560 Commercial Law Publishers (2022)

III. JUDICIAL PERSPECTIVE

The evolving and ambiguous views of federalism held by the Indian judiciary over time are a reflection of how governance is constantly changing. These inconsistencies have helped to advance understanding of the federal nature of the Indian Constitution, which has ultimately resulted in greater clarity.

Case: Automobile Transport v. State of Rajasthan (1962): *Quasi-Federal Nature of the Constitution*⁴

In this case, the Supreme Court acknowledged that the Indian Constitution has a quasi-federal structure. The Court underscored the importance of the division of authority among the legislative lists and emphasized that the Constitution's design served as the foundation for federalism. This decision laid the groundwork for comprehending India's federal structure.

Case: State of West Bengal v. Union of India (1963): *Balancing Development and State Sovereignty*⁵

In this case, the Court dealt with the conflict between state's development goals and state autonomy. Conflict with West Bengal resulted from the Coal Bearing Areas (Acquisition and Development) Act, 1957, which was passed by the Union Government. According to the majority, the Union was permitted to purchase coal mines that belonged to the state. The then Chief Justice's statement that the surrender of power for the common good was the essence of federalism set the road for balancing state's autonomy and development goals.

Case: Keshavananda Bharati v. State of Kerala (1973): *Federal Character as a Basic Feature*⁶

By recognising the federal character as a basic structure of the Constitution, the Supreme Court ensured that any modifications or changes to the Constitution cannot undermine the core principles of federalism. This decision established a strong framework for interstate relations and the delegation of responsibility between the central and local governments, in addition to preserving state autonomy.

Case: S.R. Bommai v. Union of India (1994): *Doctrine of Federal Supremacy and State Autonomy*

The invocation of Article 356, which addresses the president's rule in states, was the central

⁴Automobile Transport v. State of Rajasthan, A.I.R 1962 S.C 1406

⁵ State of West Bengal v. Union of India, A.I.R 1963 S.C 1241

⁶ Keshavanada Bharti v. State of Kerala, A.I.R 1973 S.C 1461

issue in this case. The Court emphasized the idea that federalism does not entail that states are dependent on the central government. The ruling highlighted that states are supreme within their designated spheres. The Court's position preserved state's autonomy and avoided excessive central intrusion.

IV. CONTEMPORARY CASES: COLLABORATIVE FEDERALISM AND HARMONIOUS COEXISTENCE

Federalism is developing, as evidenced by recent instances like *M.C. Mehta v. Union of India*⁷ and *Govt. (NCT of Delhi) v. Union of India*⁸. In the first case, the Court directed measures to fight pollution, putting a focus on balance between the federal and state governments. In the latter, the Court outlined the role of Delhi's Council of Ministers and Lieutenant Governor while emphasizing the importance of peaceful coexistence.

The evolution of the Indian judiciary's conception of federalism demonstrates how important a role it has played in forming the country's political system. The judiciary's dedication to safeguarding the federal balance has grown over time, notwithstanding initial irregularities. The growing federalism jurisprudence demonstrates the judiciary's unwavering commitment to upholding the Constitution's guiding principles and promoting a peaceful coexistence of central government and state sovereignty.⁹

V. FACTORS INFLUENCING INDIAN FEDERALISM

(A) Political Changes

Understanding India's political landscape has involved debating how the country's political party structure and federalism are related. According to William Riker's research, the organization of political parties in India frequently mirrors the principles of federalism. Federalism typically evolves along with the centralized or decentralized nature of parties. How federalism functions in India have been significantly shaped by the evolution of the party system in that nation.

India's party structure has undergone considerable changes over time. Initially, state politics was dominated by regional or state-based parties. But since 1996, these parties have also grown in importance in national politics, mostly because coalition governments are becoming more common. From 1996 through 2014, coalition governments were typical, with strong influence

⁷ *M.C. Mehta v. Union of India*, (2015) S.C.C Online SC 1327.

⁸ *Govt. (NCT of Delhi) v. Union of India*, (2018) 8 S.C.C 501.

⁹ M. Asad Malik, *Changing Dimensions of Federalism in India: An Appraisal*, 5 *ILI Law Review*, 85(2019)

held by state or regional parties. Even the BJP's majority rule since 2014 has depended on pre-election agreements for seat-sharing with state parties.

A topic of academic discussion has been the growth of India's party system from a one-party system to a multi-level party system. Numerous causes, such as the Congress party's fall and its failure to garner support from regions, were responsible for this shift. Lower-caste groups that were focused on serving the needs of their respective states also emerged as a result of lower-caste people's increasing demands for direct political representation.

The degree of decentralization within the party system illustrates the link between party politics and federalism. The federalism may be assessed by analyzing the party system, which raises the possibility that increasing party fragmentation will result in more decentralization in India's federal structure.

The relationship between party politics and federalism lies in the degree of decentralization within the party system. Riker's assertion that one can measure federalism by measuring the party system implies that the fragmentation of parties could correspond to increased decentralization in federalism. As state and regional parties gained prominence, one might expect the Indian federal system to move towards greater decentralization. Even if the federal structure of India has not necessarily undergone formal decentralization as a result of changes in the party system, there have been some noticeable changes in practice.

Decentralization may be on the rise, according to some trends.

- 1) Reduced President's Rule: President's Rule hasn't been imposed as frequently, which suggests that states have grown more respectful of their autonomy.
- 2) Policy Divergence: States now have more freedom to veer from federal policy, particularly in areas like welfare policy, enabling them to meet their particular developmental requirements.
- 3) Para- Diplomacy: Some Chief Ministers have taken on active roles in para-diplomacy, interacting with other nations on behalf of their states.
- 4) Diminished Discretionary grants: Discretionary grants now account for a smaller portion of the total amount of grants given to states, reflecting less centralized authority.

A correlation between party politics and the allocation of central funding to states has been found through empirical study. States led by Congress Chief Ministers got larger shares of discretionary grants and centrally sponsored scheme in order to strengthen party support.

More complexity was thrown in by coalition governments, although associated states still

received ample funding. In order to attract the attention of voters and improve its standing, the formateur party allocated funding for its flagship initiative to non-affiliated states. Federalism has also been impacted by institutional shifts. The Planning Commission, which was originally created to offer states a voice, gradually lost its effectiveness, and the NITI Aayog took its place. While the NITI Aayog pledges greater state participation, it remains a part of the central government, raising concerns about true cooperative federalism. Fiscal federalism underwent changes as the economy transitioned from being state-led and planned to being liberalized. Fiscal constraints resulted from economic liberalization since reducing customs duty receipts put a pressure on the central government's finances. The aforementioned changes strengthened regulatory bodies and, inadvertently, gave states more power.¹⁰ Some states opposed the implementation of the GST, alleging issues with fiscal autonomy. In a nutshell federalism has been entwined with India's party system as it has evolved from a single-party system to a fragmented framework. Although there has not been much change in the formal decentralization process, changes in party dynamics and grant allocation patterns suggest a shift toward more decentralized practices. These adjustments, together with economic liberalization, in nuanced ways changed India's federal arrangement.

(B) Economic Liberalization

India's economic reforms started out slowly in the 1980s and gathered speed in the early 1990s. The easing of restrictions on private economic activity has been the most major component of these reforms, which are intended to increase efficiency and integrate India's economy with the rest of the globe. When necessary, reforms also entail replacing more effective regulations for discretionary controls, particularly in sectors like finance, power, and telecom.

The lines between the market and the government are being redrawn by these reforms. Additionally, there is a focus on enhancing the efficiency of government operations, including spending on public goods, redistributing wealth, and generating revenue through taxes or borrowing. This government change is frequently regarded as a component of institutional reform. Decentralization, for example, seeks to strengthen local democracy rather than just economic equity and efficiency.

Federalism in India has been greatly influenced by economic liberalization, which has increased the power and autonomy of state governments. The central government had extensive control

¹⁰ Chanchal Kumar Sharma & Wilfried Swenden, *Continuity and Change in Contemporary Indian Federalism*, 16 INDIA REVIEW. 1, 1-13 (2017).

over a number of economic factors prior to the liberalization reforms of 1991, including industrial licensing, exchange controls, import regulations, and price controls. The central government has made significant investments in public enterprises.

However, with the introduction of economic liberalization, several key changes occurred in Federalism:

Decentralization of Economic Decision-Making: As a result of liberalization, centralized controls were gradually eliminated, allowing state governments to take greater part in determining their own economic agendas. States now have the power to approve the creation of significant industries within their spheres which was previously under the control of the Central government,

Competition for Investment: States were given the power to compete for foreign direct investment, with the majority of areas promptly approving such investments. States were encouraged to improve their economic and infrastructure conditions to draw investors by competing with one another for investments.

Reduction in Central Planning Commission's Control: The Central Planning Commission's power was greatly affected as a result of the central government's reduced ability to regulate investment, particularly that made by the private sector. As a result, state governments primarily controlled investments in vital industries like irrigation, highways, power, and the sectors of health care and education.

Strengthening Federalism: Federalism in India was enhanced by economic liberalization. It gave state governments the opportunity to use the constitutionally mandated authority that had been restricted by the Central government's centralized planning efforts. The efficiency of the economic system was increased by the decentralization of economic decision-making, which also favored a more equitable division of power between the Central and state governments.

The revival of federalism was made possible by economic liberalization in India, which not only promoted a more effective economic system but also gave state governments more autonomy to formulate their economic strategies and compete for investments in accordance with the framework of the Indian Constitution.¹¹

Emergence of Regional Parties

To achieve greater state autonomy, regional parties in India started calling for a reorganization of center-state relations. To accomplish this goal, numerous regional parties have put forward

¹¹ *Id.*

plans and suggestions over the years. The important advancements listed below demonstrate this trend:

1. To evaluate the federal system, the DMK government in Tamil Nadu constituted the Rajamannar Committee in 1971.

2. The National Development Council received a memorandum from the Kerala's CPI (M)-led government regarding centre-state financial relations.

3. The Akali Dal pushed for further state autonomy in its 1973 Anandpur Sahib Resolution.

4. In 1977, the CPI(M)-led West Bengal government issued a memorandum urging a significant constitutional amendment to make India more federal.

5. At a meeting in 1983 attended by non-Congress regional Chief Ministers from Andhra Pradesh, Karnataka, Tamil Nadu, and Puducherry, the Janata Party government in Karnataka released a "White Paper" on centre-state relations in which they demanded an equitable distribution of financial resources between the centre and states...

6. Chief Ministers from Tamil Nadu, Karnataka, Andhra Pradesh, and Puducherry formed a forum to address common issues and seek changes in centre-state relations, particularly in the financial domain.

7. The Congress party's influence at the state level decreased as powerful regional parties like the DMK, AIADMK, TMC, Telugu Desam, Shiv Sena, Akali Dal, and others rose to prominence, indicating a change from national to regional politics.

8. Following 1989, regional parties played a crucial role in Parliament, helping to advance federalization and call for greater state autonomy.

9. Leaders from various political parties attended a number of conclaves held by regional parties to explore centre-state relations.

In 1983, N.T. Rama Rao, the first chief minister of Andhra Pradesh from a regional party, organized a group of non-Congress and regional parties. The main topic of these discussions was the restructuring of centre-state relations in order to achieve more state autonomy. In order to preserve a balanced relationship between the centre and the states in India's federal system, these regional parties emphasized the significance of strengthening state autonomy. The fourth conclave, which was convened in Calcutta in January 1984, demanded a thorough restructuring of the centre's economic policies. They put up an alternative economic plan with the goal of enhancing circumstances for the working class and lower class.

Seven parties, including Janata, Jana Morcha, Lok Dal (B), Congress (U), Telugu Desam,

DMK, and Assam Gana Parishad, came together to establish the National Front on September 17, 1988. Their main goal was to reexamine center-state relations in order to address administrative, legislative, and financial inefficiencies and foster an improved federal spirit. N. Chandra Babu Naidu, son-in-law of N.T Rama Rao, led a section of the TDP in the Lok Sabha elections after the passing away of Rao in January 1996. This faction won 22 seats, including allies like the CPM and CPI, and won 16 seats on its own. Naidu was a key player in the formation of the United Front, a coalition of 14 parties that included the Janata Dal, the DMK, the TDP, the AGP, the TMC, the NC, and the CPI. CPM and Congress (I) provided outside backing for the coalition. Following the overthrow of the Atal Bihari Vajpayee government, this coalition gained power.

Naidu and other regional leaders played a significant role in establishing the "Federal Front," which included the TDP, TMC, DMK, and AGP, after seeing the necessity for an institutional framework for regional parties at the national level. This action was taken to strengthen to safeguard the interests of the respective states. Regional parties have been integral parts of both the UPA and NDA coalition governments at the centre over the past 20 years. To obtain benefits for their states, they have been strongly bargaining with the central government. For instance, the Dravidian parties in Tamil Nadu, the DMK and AIADMK, have partnered with national parties like the Congress and the BJP to get support for various initiatives and increased funding. However, these actions by regional parties should not be viewed negatively but rather as part of the democratic process within a federal polity, where diverse voices advocate for their state interests and fulfill the aspirations of their constituents.¹²

VI. ISSUES AND CHALLENGES IN INDIAN FEDERALISM

(A) Center-State Relations

Despite the country's diverse social and ethnic divisions, federal institutions have not only survived but also evolved. Several key challenges and changes related to federalism and centre-state relations in India include:

1. **Linguistic Movements:** Language was an issue of debate in the 1940s and 1950s. To overcome these difficulties, linguistic states came to existence. Since then, language movements have gotten more localized, and bilingualism and multilingualism are now widespread across the nation.

¹² Dr. (Mrs) Johani Xaxa , Regional Political Parties Strengthening Federalism in India, RESEARCH PUBLISH JOURNAL(Aug 10 2023 10:00 PM)<https://www.researchpublish.com/papers/regional-political-parties-strengthening-federalism-in-india-an-analysis>

2. **Movements for Regional Autonomy:** In states like Punjab and the Northeast, secessionist movements have transformed into calls for regional autonomy. Instead of complete independence, these groups want the central government for compensation and recognition.
3. **Democratic Systems:** The majority of India's regional entities have strong democratic frameworks with frequent elections and active party competition. Regional parties have also grown in strength and challenged the political
4. **Regional Identities:** Citizens in India maintain strong regional identities alongside their pan-Indian identities. There is no zero-sum relationship between national and regional identities.

Federalism in India comprises shifting beliefs and methods concerning the distribution of power between the national and regional governments. It is not merely a matter of formal institutions. Discussions centred on how to preserve state stability, uphold the political unity of India's borders, and identify the Indian nation, these discussions had an impact on how the Indian Constitution was framed. The concern that regional empowerment would endanger India's unity was one of the main themes. Self-determination, national unity, and cultural autonomy were issues that the Constituent Assembly debated. Some advocated for a "strong united Centre," while others sought ways to balance cultural independence and national unity. According to the 1946 Objectives Resolution, regional entities might maintain their independence within a nation that was not partitioned. However, the Constituent Assembly tended to favour drafting a constitution with provisions for a strong central government after unveiling the partition plan in 1947. To highlight that states had no power to withdraw from the Union, the title "Federation of India" was changed to "the Union of India."

The ideas of national integration and "unity in diversity" persisted in talks on federalism even after the independence. The central government tried to control and challenge regional autonomy movements because they were frequently seen as threats to national unity. This debate began to use terrorist terminology, and a number of anti-terrorism laws were passed. The Constitution establishes the formal institutions of Indian federalism, which are integrated into a parliamentary framework. These organizations, which also include a number of judicial and legislative efforts, mediate center-state relations. The federal system in India is frequently referred to as "quasi-federal" since it incorporates aspects of both centralization and federalism. The Seventh Schedule of the Indian Constitution, which contains the Union, State, and Concurrent lists, allocates power between the central and state governments. States have power

over significant issues like law and order, agriculture, and health, while the Central government controls critical areas like defence and the nation's infrastructure. The central government has residual power. Article 356, also referred to as the President's Rule was one of the centralist elements that threatened federalism. Under certain circumstances, this clause gave the Central government the power to dissolve a state legislature. During the 1970s and 1980s, when they were frequently employed to control states run by political rivals of the Congress Party, governors—whom the central government chose—played a part in upholding central power. President's Rule usage faced difficulties in the 1990s, but its misuse was curbed by a significant legal decision 1994 known as the S. R. Bommai verdict. The inappropriate application of Article 356 was rejected by the Supreme Court, which also subjected it to judicial review. For instance, President K. R. Narayanan declined to impose President's Rule in Uttar Pradesh in 1997 and Bihar in 1998, showcasing the declining influence of this provision.

The Indian Constitution's Articles 2, 3, and 4, which give the national Parliament broad authority to redraw state boundaries, are another example of its centralism. Although it might sound centralist, this clause has given Indian federalism some flexibility. It has been used to redraw the borders of existing states, most recently in 2000 when Chhattisgarh, Uttaranchal, and Jharkhand were founded. This has made it possible to respond to regional demands for additional states without jeopardizing the stability of the nation-state. There are also "Special Category" states in India, whose governance is based on asymmetrical norms. For instance, whereas other rules govern the Northeastern states, Article 370 accords unique autonomy to Jammu & Kashmir. The federal institutions of India are now more stable due to these rules.

Additionally, institutions like the Sarkaria Commission established in 1983 were developed in response to regional pressures and needs. In addition to suggesting modifications to the federal structure, the Sarkaria Commission sought to examine centre-state relations in India. However, many of its recommendations were not implemented.

Irrespective of these challenges and centralist provisions, India's federalism remains stable, with mechanisms in place to address regional demands and maintain the integrity of the nation-state.¹³

(B) Inter-State Disputes

Another significant piece of legislation that establishes a framework for resolving interstate

¹³ FEDERALISM AND CENTER-STATE RELATIONS (Aug 17 2023 8 00 PM)
<https://www.encyclopedia.com/international/encyclopedias-almanacs-transcripts-and-maps/federalism-and-center-state-relations>

water disputes is the Inter-State Water Disputes Act, 1956. The legislation allows the central government to establish tribunals to settle disputes over the allocation, use, and management of river flows among states. India's constitutional mechanisms and governing laws are designed to provide a just and equitable resolution of interstate conflicts. These frameworks give states a forum to voice their grievances and arguments and allow unbiased bodies to make decisions based on the facts and the law. These procedures encourage collaboration in resolving common problems and assist in preserving peace and harmony between states by offering an organized approach to conflict resolution. The Indian Constitution and pertinent legislation offer frameworks and methods to make interstate disputes easier to resolve, including through the creation of tribunals and the passing of particular laws to deal with certain sorts of disputes. These mechanisms are essential for sustaining interstate ties and preventing the escalation of disputes.

Conflictual Federalism: Because the allocation of legislative power over water resources is not clear, conflictual federalism develops. According to the Constitution, the Union government was initially intended to play a considerable role in maintaining interstate rivers. But, due to insufficient implementation of this constitutional role, states now have unrestricted access to interstate river waters. States frequently place more importance on their food security than interstate cooperation or rely on old agreements that are based on divergent views of who owns what in transboundary rivers. The lack of regulations and clarity has exacerbated conflicts around water supplies.

The ambiguity around Dispute settlement: The problem is made more complicated by ambiguity around dispute settlement procedures. Although the premise that no state should have sole jurisdiction over these rivers serves as the traditional argument for Central monitoring of transnational rivers, the text of the Constitution leaves room for interpretation. The State List merely refers to surface water within state boundaries as "water," while the Union List refers to "interstate water." This has made it possible for states to enact laws governing any surface water located inside their borders, regardless of where it originates or flows. If a state uses interstate waters excessively, the Union government may step in, but it is reluctant to do so often. As a result, interstate river water continues to be used carelessly.

Role of Union Government: Despite the constitutional provisions, the Union government has been reluctant to enforce its authority in regulating interstate rivers. In particular, Entry 20 of the Concurrent List, which requires environmental clearances for large irrigation and hydropower projects, gives it significant control over these issues. However, the Union government has not regularly used this authority, which has resulted in water use that needs to

be regulated.

Dispute Resolution Mechanisms: The Interstate (River) Water Disputes Act of 1956 and the River Boards Act of 1956 are two examples of dispute resolution mechanisms the Indian government has predominantly used. While the latter has yet to be properly used, the former has been invoked and modified numerous times. Instead of a proactive basin-wide authority, river boards have been established through alternative channels.

Examples of Inter-State Disputes: Subnational and transnational disputes are two different types of disputes involving transboundary waters. The controversy over the sharing of Kaveri River waters between Karnataka (upstream) and Tamil Nadu (downstream) illustrates a subnational dispute. Tamil Nadu claims prescriptive rights over downstream usage and has historically used a sizable share of Kaveri's waters for irrigation. Karnataka contends that Tamil Nadu's delayed irrigation development should not bar its legitimate claim because access to Kaveri's waters is necessary for the state's economic development. Therefore, conflictual federalism, ambiguity in constitutional provisions, the function of the Union government, and the use of dispute resolution mechanisms all impact inter-state issues involving water resources in India.¹⁴

VII. DEBATES ON CENTRALIZATION VS DECENTRALIZATION

Federalism in India is under challenges from continual debates about and transitions between centralization and decentralization. Here is a breakdown of these discussions:

1. Early Years - Centralization. The national and central institutions retained considerable influence from 1947 and 1964. The Congress Party's dominance greatly aided this integration in serving national and provincial interests. The state concentrated on regional resource allocation and national plans at this time, developing a national market and development agenda.

2. Transition to Decentralization: Between 1964 and 1969, regional impulses and decentralization became more prevalent. Strong Congress state leaders could impose their influence over national policies due to the economic crisis at the state level. The period showcased shift toward localization, factionalization, and ruralization.

3. Reassertion of Centralization: However, during Indira Gandhi's return to office in (1971–1977), centralization tendencies were once again asserted. She created a national majority

¹⁴ Sayanangshu Modak, *Federalism and Interstate River Water Governance in Indi*, ORF(Aug 17 2023 8 00 PM) <https://www.orfonline.org/research/federalism-and-interstate-river-water-governance-in-india/>

coalition that seemed to lessen the influence of regional leaders. The role of the central government increased throughout this period.

4. Shifting Balance Decentralization: By the 1980s, attempts at centralization were under more and more pressure, especially as regional concerns and interests began to receive more specific attention. According to the passage, it became harder to trample on regional interests, signalling a move in favour of decentralization. The trend favoured decentralization in the 1990s, or "decentering." Modifications to India's political system influenced this change. Regionalization has developed into a stable feature of Indian politics and political economy.

The ongoing discussions over centralisation and decentralization in India's federalism have influenced the nation's political landscape. Over time, the relative importance of the central and regional powers has changed, with regionalization emerging as a more fundamental and essential aspect of India's federal structure.¹⁵

(A) Trends showing a shift towards centralization

1. **Constitutional Amendments:** India's Constitution emphasizes federalism as a basic principle, yet over the years, various modifications have been made that seek to strengthen centralization. For instance, the Third Amendment Act of 1954 gave the Union government the authority to regulate key commodities, significantly impacting agricultural practices and prices, which had previously primarily been under state control. The Forty-second Amendment Act of 1976 similarly expanded the Union government's power over state governments. It added a new item to the Union list, reducing the ability of states to execute the legislation and changing some matters from exclusive state jurisdiction to concurrent jurisdiction. These changes show that centralization is on the rise.
2. **Legislation Framework:** Legislative framework could be another aspect of centralization. These laws have limited state power, especially in areas like the environment and natural resources. As a result, the Union government now has a significant authority over matters like land planning, forest management, and the starting development projects, even in tribal and forested areas. Additionally, framework laws pertaining to language and education make state laws subject to Union enactments, reducing state authority in these areas.

¹⁵ FEDERALISM AND CENTRE-STATE RELATIONS, (Aug 10 2023 10:00 PM)
<https://www.encyclopedia.com/international/encyclopedias-almanacs-transcripts-and-maps/federalism-and-center-state-relations>

3. **Regulatory Institutions:** Regulatory Institutions: Regulatory institutions are crucial to centralization initiatives. Although autonomous, these institutions are usually managed and directed by Union ministries. These institutions have the power to make binding administrative orders and regulations. The approval from these regulatory institutions is frequently sought by the states for projects that fall under their purview. The ability of states to autonomously enact laws and oversee their administrative operations is constrained by this procedure. As a result, regulatory institutions nationalize public policies, including those that were previously under the purview of the state, which furthers centralization.

The constitutional amendments, legislative framework and the rise of regulatory institutions have collectively influenced India's federal system. While federalism is a core feature of the Indian Constitution, these elements have sometimes pushed the balance of power more in favor of centralization, affecting the dynamics between the central government and state governments.¹⁶

VIII. STRENGTHENING THE FEDERAL STRUCTURE IN INDIA

For a diverse and large nation like India, strengthening federalism is essential to ensuring efficient governance, fostering regional development, and empowering local people.

Power Devolution: Redefining how central government and states' rights and obligations are divided is crucial. It enables state governments to make decisions with greater autonomy and to customize policies to suit their particular requirements. This might entail increasing the scope of state subjects and revising the Concurrent List.

Financial Decentralization: For federalism to be successful, it is essential to provide a just distribution of financial resources. The distribution of tax income between the central government and the states is based on the recommendations of the finance commissions, which are significant in this context. States may become more financially independent if their tax revenue share increases.

Utilizing intergovernmental institutions, it can aid in conflict resolution and promote cooperation between the central government and the states. Examples are the Inter-State Council and the GST Council. These forums offer a stage for discussion and reaching agreements.

¹⁶Ajay Kumar Singh, *Dynamic De/Centralization in India, 1950–2010*, OXFORD ACADEMIC, (Aug 19 2023 9:00 PM) <https://academic.oup.com/publius/article/49/1/112/5058956>

Cooperative Federalism: Promoting cooperative federalism implies bringing together the central and state governments to address common challenges. This collaborative approach has the potential to result in more efficient decisions and improved service delivery to citizens.

Strengthening Local Governments: Grassroots democracy must strengthen Panchayati Raj institutions and Urban Local Bodies. Giving them enough resources, decision-making authority, and capacity-building opportunities can lead to more responsive and responsible local governance.

Encouraging Regional Cooperation: Regional forums and councils can help states cooperate and coordinate. This is especially critical when dealing with common regional challenges like water resources, infrastructure development, and disaster management.

In addition to these tactics, the significance of political will, administrative competence, and public awareness in developing federalism must be emphasized. Furthermore, systems for regular evaluation and feedback should be implemented to analyse these efforts' success and make appropriate adjustments over time. Overall, a strong federal system in India contributes to the country's development and makes governance more responsive to the different requirements of its population.¹⁷

(A) Understanding Cooperative Federalism

Cooperative federalism is a basic notion in a federal government where the central and state governments work together to achieve common goals. Within this system, both levels of government share policymaking and implementation responsibilities. The central government leads on some matters, while states take the information on others.

Cooperative federalism is a horizontal partnership between the central and state governments that emphasizes cooperation in the public benefit. This cooperation extends to infrastructure development, economic policies, social welfare, law and order, national security, and disaster management, among other things. It is a system in which power is divided between the central and regional governments, but each retains independence in its respective regions of competence.

The concept of cooperative federalism is included in the Indian Constitution. These include the allocation of powers between the Union and the States, as outlined in the Indian Constitution's Seventh Schedule, the establishment of local self-government institutions (Part 9 and 9A of the

¹⁷Ambar Kumar Ghosh, *Inter-governmental Institutions: A key instrument for strengthening India's federal dialogue*, ORF, (Aug 18 2023 10:00 PM) <https://www.orfonline.org/expert-speak/inter-governmental-institutions-a-key-instrument-for-strengthening-indias-federal-dialogue/>

Indian Constitution), the role of the Finance Commission (Article 280), and the establishment of institutions such as NITI Aayog, a policy think-tank that serves as a platform for fostering cooperative federalism in India, the Inter-State Council (Article 263), Zonal councils, River boards, tribunals, as well as various sectoral councils and committees, The COVID-19 pandemic provided an opportunity to showcase the cooperative nature of federalism. However, it's important to note that during the initial phase of the lockdown, administrative control was largely centralized, which limited the demonstration of cooperative federalism. Cooperative federalism acknowledges the diversity of states and respects the regional aspirations of different parts of the country. This allows for tailored policies, programs, and initiatives that address specific regional needs and challenges. While cooperative federalism is grounded in these principles, it does encounter challenges, including uneven resource distribution, overlapping jurisdiction, and occasional conflicts between state and central government. Nevertheless, India strives to balance national priorities and regional autonomy by fostering a spirit of cooperation and collaboration, ultimately ensuring inclusive and efficient governance.¹⁸

IX. CONCLUSION AND SUGGESTIONS

The Indian Constitution demonstrates the basic features of a federal system in which central and state governments have the authority to legislate within their respective realms. However, it is crucial to highlight that the Constitution sets a structure in which the central government has supremacy in specified instances, as stated in the constitutional requirements.

Since the adoption of the Constitution, the concept of federalism in India has developed in response to changes in the political landscape. From one-party control to coalition governments and the rise of regional parties, Indian federalism has become more flexible, notably in financial terms. Implementing the Goods and Services Tax (GST) shows this flexibility, allowing states equal authority to levy taxes and boosting fiscal autonomy—a fundamental reform in India's fiscal history.

Instead of conflict, effective governance necessitates cooperation and coordination between the central and state governments. The Supreme Court has emphasized the concept of collaborative federalism, urging both branches of government to work amicably together, overcoming their differences in pursuit of common goals. It is critical to note that disagreements between two governments will ultimately harm the people, as both functions concurrently on the same population and inside the same area. Governance in the modern day must be aligned with the

¹⁸ Baby Huma, *Understanding Indian Federalism*, INDIAN POLITICAL SCIENCE ASSOCIATION, <https://www.jstor.org/stable/26575604>

requirements of the common people while acknowledging that not all states will be headed by the same political party. Collaboration and consultation are critical for effective policy execution because the central and state governments have opposing beliefs and policies. Coordination of activities among these administrations is required to attain the constitutional purpose of public welfare.

Given the shifting characteristics of Indian federalism as a result of globalization, technological breakthroughs, and economic policy adjustments, it is critical that the Union and state governments, as well as local entities, collaborate. This collaborative approach is essential for meeting people's changing and common demands. All elected governments are answerable to their respective electorates, and their constitutional duty is to prioritize people's welfare. Adopting the notion of cooperative and collaborative federalism is therefore not only necessary but also reflects the dynamic nature of Indian federalism in today's globe.

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