A federal constitution has two sets of governments—federal and regional which are constitutionally allocated exclusive as well as shared jurisdictions, to say nothing of residual powers. For this reason, inter-governmental agencies are an essential mechanism to negotiate, regulate and formulate common policies at least in the policy areas of shared jurisdictions. Besides, such agencies may also be necessary for exclusive jurisdiction for the obvious reasons that in the era of cooperative federalism the federal government often use its generally larger revenues to initiate centrally sponsored schemes of development and social policies with the consent of state government. Such schemes may be fully or partly funded by the union and implemented by the states.¹ One particular aspect of the institutional working of federal system is the role of inter-governmental agencies that facilitate a policy making by the Federal and Regional Governments.

"The founding fathers gave India a union model of federalism, which critically blends the best features of all the important types of federation. The emerging Indian model reconciles the imperatives of a strong centre with the need of state autonomy. It distributes power, yet does not effect a rigid compartmentalization. Functionally, it is an inter-dependent arrangement, where centre and states collectively aspire and work towards the welfare of the people. Working aberrations have caused functions in the centre-state relations,

therefore demands for decentralization. This, however, does not require major changes but functional modifications in the constitution. Necessity of autonomy needs to be balanced with the imperatives of integration."²

The Indian constitution was framed when the idea of cooperative federalism was prevalent. Therefore, the constitution framers were aware of the need for such forums and thus incorporated Article 263. This Article in our constitution was borrowed from a similar provision in the government of India Act 1935, providing for the creation of an Inter Provisional Council. However, Article 263 was rarely used before the V.P. Singh Government set up a regular Inter-State Council (ISC) in 1990 by a presidential ordinance. But there has been another inter-governmental forum in India that is Planning Commission, which is set up outside the framework of the constitution by a cabinet resolution of the Nehru Government in 1950 that has been very significant in many ways in the field of economic-policy making and planning than the Inter State Council has been in the political field. "The Planning Commission is neither a constitutional body nor a statutory one. It owes its existence to an executive order of the central government. Its influence on the deliberations of the Central Government as well as on union-state relationship has, however, steadily grown and it now wields decisive

influence on both centre and states. The planning Commission is a bone of contention between the centre and the state since its inception from 1950. It has assumed the stature of parallel government. "On the suggestions of the Planning Commission, another inter-governmental agency called National Development Council was constituted on August, 1952 to serve as a highest reviewing and advisory body in the field of planning." 

Besides, Planning Commission, National Development Council and Inter-State Council, other inter-governmental forums in India are the Chief Minister's Conferences, Governor's Conferences, Inter-Governmental Ministerial Conferences, Chief Secretaries Conferences, Zonal Councils, Inter-state Tribunals and National Water Resources Council.

"Indian Federalism is historically a product of traditional as both under the ancient Indian empires and during the Mughal regime, the constituents units were enjoying a certain degree of autonomy. According to M.S. Setalvad, "the founding fathers favoured a strong centre because they felt that "having regard to the diverse nature of the population, the number of religions and sects which divided it and the fissiparous tendencies which it had a number of occasion shown, on any emergency arising affecting either the country or the states by the breakdown of its constitutional machinery, the central

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Government should have power to take over its administration.\textsuperscript{5} It was on pragmatic consideration, provided that only those powers, concerned with the regulation of local problems, should be vested in the states; the residue, especially those which tend to maintain the economics, industrial and commercial unity of the country was to be left to the union. While disturbing powers, unconsciously, the foundations of a cooperative federalism were being laid. This new spirit was to depend not so much on institutional devices but, "on the harmonious working of the federal power structure, in the stability and effectiveness of the centers, in a just system of resolution of centre-state and Inter-state conflicts and in adequate institutional system for consultation, coordination, interchange and integration."\textsuperscript{6}

"All there Inter-Governmental forums are playing an indispensable role in the harmonious working of a federal power structure by making successful and effective economic policies, by providing a platform to resolve the conflicts among the states and within the states and by bringing co-ordination and co-operation. These agencies provided a forum for all discussion of some India's most pressing federal problems."\textsuperscript{7} If the present trend of the mushrooming of regional political parties gives way to a more structured set of federal political parties and the federal cabinet

\textsuperscript{7} Lawrence Saez, \textit{Federalism without a Centre}, Sage Publications, New Delhi, 2002, p. 129.
functions more as a representative of the Union Government rather than as an agglomeration of regional, parties, the need for Inter-Government forums like National Development Council and Inter State Council may be acutely felt.\textsuperscript{8} This has already been acknowledged by National Commission to review the working of the Constitution (NCRWC).

The Commission while endorsing the recommendations of the commission on centre-state relations (Sarkaria Commission), recommends that in resolving problems and coordination policy and action, the union as well as the state should more effectively utilize the forum of inter state council. This will be in tune with the spirit of cooperation federalism requiring proper understanding a mutual confidence and resolution of problems of common interest expeditiously. According to Rekha Saxena, "National Development Council is a useful instrument of intergovernmental relations. It is a unique forum, which brings together the executive heads of the two orders of government in the country of sub-continental, plural and federal diversities. Instead of establishing it under Article 263 of the Constitution or under a parliamentary statue, It was set up by a cabinet resolution. Despite its hacking in constitutional status, it has been more functional than the ISC".\textsuperscript{9} Like the other agencies, the Chief Minister's conference is a summit meeting of the chief executives


\textsuperscript{9} Rekha Saxena, "Role of Inter-Governmental Agencies", \textit{The Hindu}, January 29, 2002.
of the Central and State Governments. According to Shriram Maheshwari, "the Chief Minister's Conference is potentially an important forum for the discussion of issues and harmonization of relationship between the centre and the states. Although it may not always produce a set of agreed decisions, it may be helpful in reducing the mental distance between the union and the states as also among the states themselves. It is the only forum where the consensus of the states on the emerging problems may be ascertained."10

"So to sum up we can say that the contribution of various intergovernmental forums is not only unavoidable but desirable also. They provide a sense of participation to both centre and states. By augmenting inputs in decision-making, it makes for the harmonious functioning of the federalism. These inter-governmental agencies as an integral part of the machinery of government acquires an attribute of indispensability in view of the fluidity which presently marks the country's politics a situation we should learn to live with for quite some time to come."11

**PROBLEM**

The Inter-Governmental Agencies brings together the executive heads of the two orders of government in the country of sub-continental plural and federal diversities. These agencies with certain

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reforms can serve even better as a useful instrument of inter-governmental relations.

A survey of meetings of ISC shows that during the 17 years from its emergence, there were only seven meetings of the council which would appear rather surprising in view of the fact that this period has been one in which paradigm shift in Union-State relations took place. The issues discussed in these meetings under various governments are fairly common: recommendations of Sarkaria Commission Report covering the entire gamut of union state relations, Article 356. Inter State river water disputes, greater autonomy to States, Governor's role, resource mobilisation, etc. However, there has hardly been my constitutional amendment or parliamentary enactment in pursuance of recommendations made by the ISC. In fact, on most crucial has been conspicuous by its absence. The discussions on Article 356 and the role of the Governor clearly illustrate this point.

The monumental failure of the ISC to emerge as an active inter governmental forum in the Indian Federal System needs explanation. The reasons must be discussed in terms of two phases:

1. The first four decades of Indian federation during which the ISC was not formally set up.

2. The period since its inception in the 1990's.

During the first phase of congress dominance at the centre as well as in most states, the Congress Working Committee and the Congress Parliamentary Board not only eclipsed the NDC but also
atrophied the necessity for setting up the ISC. Moreover, economic planning which was a complex necessitated the creation of the NDC for approval of plans by the two orders of the government. Nehru set up the NDC by executive fiat presumably to make it more amendable for the union to manage inter-governmental affairs in its own way without the constraints of a constitutional body. The successive governments also continued this tradition and practice. Moreover, the Sarkaria Commission, though it recommended the setting up of ISC, reduced its importance by suggesting the continuations of the NDC as a separate inter-governmental agency with constitutional entrenchment. The continued existence of two separate bodies has meant an active NDC in the more salient area of economic federalism and the eclipse of ISC in the political domain. Its importance has been reduced further with the formation of minority/coalition governments in the post-1989 phase because the regional parties have direct access in the cabinet coalition so the needed of a separate forum was not greatly felt.

The another problem is related to NDC. As we know that it is a non-constitutional body. Instead of establishing it under Article 263 of the Constitution or under a parliamentary statute, it was set up a cabinet resolution. By lacking a constitutional status, plans can be/are launched without the stamp of its approval and its meetings are not held for years. For instance, the ninth plan proposal prepared by the planning commission in 1997 was belatedly approved by the NDC only in 1999 after a delay of two years. Since 1952, till date, it
has met 54 times. During the 37 years of congress dominance and Janata Party phase, the NDC had 40 meetings with an average of 1:1 per year. In the 16 years of multi-party coalition/minority governments since Nov. Dec. 1989. It had fourteen meetings with an average of 0.8 meetings per year. It may appear paradoxical that the frequency of meetings has declined between the two phases in terms of average. One would have expected a greater frequency during the later phase given the greater federalization of the Indian polity as indicated by a more differentiated set of parties ruling at the union and in the state since 1989. This anomaly can however be explained by referring to two factors. Firstly coalition and minority governments have been very unstable resulting in delays in launching of the plans. Second, different sets of parties including in this federal ones ruling in the states have been partners in this federal coalition governments. This has allowed then direct access and opportunity for representation of their views in the Union Cabinet. Therefore, they have not been very keen and insistent on the activation of the NDC an inter governmental forum. The Sarkaria Commission Report also underlined the importance of strengthening inter governmental forums like the NDC and ISC by giving them constitutional status.

Overtime regrettably, the various Inter-governmental forums (like Planning Commission, NDC, Chief Ministers Conference etc.) have degenerated into the mechanical affairs where bored CMs listen to the long written speeches of their colleagues with no interaction
between themselves and at the end triumphantly adopt either a five year plan or its Medium term Review. The structure of the meeting fosters any worthwhile dialogue among the participants. CMs troops out to get photographed, which are published prominently in regional newspapers, suggesting huge achievements by the state! Everybody goes back to sleep till the next meeting is held. Clearly, they are hardly fulfilling their mandate "of considering issues of economic and social policies affecting national development".

The Zonal Councils have also lost focus. Inter-State Councils meet with periodicity depending on the initiative of the Home Minister with a flurry of activity on pending regional projects prior to a meeting with a tardy follow up action. India has out grow either there institutions or at least the way in which they are run. We have repeated ad-nauseum that the next generation of reforms lie in the domain of states. The consensus on agriculture, health, education and emerging fiscal issues need their active consent and support on implementation. It is a time to reinvent the NDC. It is a time to reforms the inter state Council on key policy issues. it is time to re-energize Zonal Councils on harmonization of regional resource endowments within the national priorities. These need not await the wisdom of the yet to be constituted Centre-State Commission. Planning Commission runs the NDC while the Home Ministry runs the other two. The Prime Minister would need to synthesize their approaches to impart greater purpose and content in the dialogue
with the states. The heterogeneity of regional parties, their ideological nuances and the coalition structure of the central governmental create fresh challenges in forging a national approach. Only an innovative approach can promote meaningful dialogue. The need for a new centre state compact makes this inescapable. The centre state divide needs a revisit. Both procedures and institutions need restructuring to meet the new developmental challenges. We do not have the luxury of time; archaic approach and institutions are inconsistent with ambitious growth targets. A wake up call is overdue.

Scope of the Study
The proposed study analysed the role of various Inter-Governmental Agencies like Planning Commission, National Development Council and Inter-Governmental Council in promoting Co-operative Federalism. Besides analyzing the role of these agencies, the role of Inter-Governmental Agencies like Chief Ministers Conferences, Governors Conferences, Chief Secretaries Conferences were also analysed. Endeavour has also been made to examine the issues which had been discussed in the meetings of various Inter-Governmental Agencies from 1950 to present and how these Inter-Governmental Agencies succeeded in formulating common policies in the policy areas of shared jurisdiction between the Union and the States. Efforts were also made to examine the role of Inter-State Council in bringing consensus among the Chief Ministers of the different States on controversial issues. The perception of State
Governments and leaders of regional political parties on the role and rationale of Inter-Governmental Agencies have also been analysed.

**Hypothesis**

1. The Inter-Governmental Agencies like Planning Commission and National Development Council are not the creation of the constitution but they had been created by a resolution of Union Council of Ministers. These Inter-Governmental Agencies have eroded the status of constitutionally created institution like the Finance Commission.

2. The recommendations of various commissions like Sarkaria Commission and Constitution Review Commission are generally not accepted by successive Union Governments because of political considerations.

3. Inter-Governmental Agencies like Planning Commission and National Development Council are more functional in the process of plan formulation, implementation but not in resolving conflicts between Centre and States and among the States.

4. The frequency of meetings of Inter-Governmental Agencies has declined since the emergence of coalition era at the national level.

5. Inter-Governmental Agencies are not effective in Indian Federalism because even its recommendations which require constitutional amendments had not been accepted by the Union Government.
6. The present trend of mushrooming of regional political parties shall give way to a more structured set of federal political parties and Union Cabinet shall functions more as a representative of Union Government rather than an agglomeration of regional parties.

7. Centre-State and Inter-State conflicts on the issue of sharing of river waters are not included in the formal Agenda of Inter-Governmental Agencies for discussions. These are referred to semi-judicial Tribunals for adjudication.

**Objective of the Study**

1. To build conceptual framework for the study.

2. To trace the origin of Inter-Governmental Agencies like Planning Commission, National Development Council and Inter-Governmental Council.

3. To examine the significance of these Inter-Governmental Agencies in the working of Indian federalism.

4. To examine the viewpoint of successive State Governments and regional political parties on the relevance of Inter-Governmental Agencies in India federalism.

5. To examine the role of Inter-Governmental Agencies as an essential mechanism to negotiate, regulate and formulate common policies at least in the policy areas of shared jurisdictions.
6. To examine the issues discussed in the meeting of Inter-Governmental Agencies held during the period of successive Union Governments and how such meetings provided opportunities to different State Governments to present their views on vital issues of state interest.

7. To analyse the recommendations of various Commission like Sarkaria Commission, Constitution Review Commission and Punchi Commission for restructuring the role of these Inter-Governmental Agencies.

**Methodology**

For the completion of this work, the researcher has adopted both primary as well as secondary sources of information. The primary sources included Constituent Assembly Debates, Annual Reports of Planning Commission, National development Council and Inter-State Council. The secondary sources included books and articles published in academic journals. The researcher has also made an in depth study of the recommendations of Constitution Review Commission and Sarkaria Commission to understand what kind of changes can be brought about in the Constitution for smooth functioning of Centre-State Relations and Inter-Governmental Agencies. Information about the need and working of Inter-Governmental Agencies had also been elicited from a sample of leaders of various regional parties chosen on the basis of random sampling by adopting interview and questionnaire methods. The
researcher had also consulted various publications, leaflets, handbills, pamphlets, and election manifestoes of parties to ascertain the stand of various regional political parties on the role and rationale of Inter-Governmental Agencies.

Chapterisation

The study has been divided into seven chapters. In the introductory chapter, attempt has been made to build theoretical framework of the study. Review of existing literature had been undertaken. Hypothesis has been formulated and objective of the study had also been identified. The methodology used for the completion of the work has also been explained in this chapter.

The second chapter traces the evolution of Indian Federalism and examines its working from its inception to the present.

In the third chapter, composition and working of various Inter-Governmental Agencies like Planning Commission, National Development Council and Inter-State Council had been examined. This chapter also examines various bottlenecks in the way of successful working of these Inter-Governmental Agencies which are primarily meant to bring co-ordination in resolving the conflicts between Union and the States.

In the fourth chapter, Endeavour has been made to examine the role and performance of Inter-Governmental Agencies in the Indian Federalism.
The fifth chapter examines the perception of politicians and bureaucrats on the working of Inter-Governmental Agencies on the basis of the arguments put forth by them in the meetings of Inter-Governmental Agencies.

Sixth chapter examines the recommendations of Administrative Reforms Commission, Sarkaria Commission, Constitutional Review Commission and Punchi Commission on restructuring and reforming the role of inter-Governmental Agencies.

The last chapter sums up the main findings.

Specific Suggestions

- The Inter-Governmental Agencies are often created through an executive or administrative order of the Union Government and therefore perceive themselves as Union Government appointees and representatives. This needs to be changed and the institutional arrangements developed into representative and functional bodies with appropriate statutory backing.

- It is also required that the Inter-State Council must be empowered to follow up the implementation of its decisions for which appropriate statutory provisions should be made. The Government should evolve an appropriate scheme to utilize the full potential of Inter-State Council in
harmonizing Centre-State relations which has become urgent in the changed circumstances.

- The decisions of the Inter-State Council therefore have to be made binding on the Union Government, through appropriate Constitutional amendment. All major non-financial issues involving Centre-State relations have to be discussed and decided by the inter-State Council. The schedule of meetings of the Council as well as the Standing Committee of the Council has to be made mandatory. The Secretariat of the Inter-State Council should have better representation from the States.

- With regard to the National Development Council, it is suggested that National Development Council has to be developed as an effective instrument for Centre-State coordination on all financial and development issues. It should be given a Constitutional status and its meeting should held on regular basis.

- The functioning of National Development Council and Inter-State Council needs to be Coordinated, which would avoid unnecessary bifurcation of the apex inter-governmental body with the same membership in the
National Development Council and Inter-State Council. It would aos prevent politicization of the planning process.

- Although, the Country, as a whole has progressed sufficiently under the present system of centralized planning, it had led to serious regional disparities. It is high, time, therefore, that planning is decentralized at the State level and district level through there agencies.

- The Planning Commission should also focus on the maximum possible utilization of resources, rather than aiming at increase in the allocations. Until now, the size of the plan was of great concern. Now, the focus will have to be on the efficiency of the utilizations of the allocations being made. In the new milieu of economic restructuring, the Planning Commission should concentrate on strategies of employment generation, anti-poverty programmes, social development and ensuring balance within the infrastructure.

- The Planning Commission while examining the finances and Plans of the States should keep in view the needs of the States, their local conditions and local aspirations. Such States which implement national programmes successfully, should be given incentives.