Etymologically, the expression ‘Federation’ has been derived from Latin word ‘Foedus’ which means treaty. From this, it appears that, traditionally a federation has meant a union of several states brought about through the instrumentality of treaty or agreement. Of course, by means of such a treaty, it is possible to form various types of unions, beginning from an international alliance and ending in a unitary state. In between these two extremes, came a new federation and a confederation. The nature of the union depends upon whether the pre-existing states would be ready to relinquish their sovereignty or not. Of course, to define federation as a treaty, relation between different independent sovereign bodies would be too narrow a definition. It can be called one of the several ways in which a federation may be formed.

Federation is a system of government in which central and regional authorities are linked in a mutually interdependent political leadership; in this system a balance is maintained such that neither level of government becomes dominant to the extent that it can dictate the decision of the other, but each can influence, bargain with and persuade the other. Usually, but not necessarily, this system will be related to a constitutional structure establishing an independent legal existence for both control and regional governments, and providing that neither shall be legally subordinate to the other. The function of the government will be distributed between these levels (exclusively,

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competitively or cooperatively), initially perhaps by a constitutional
document, but thereafter by a political process, involving where
appropriate the judiciary; in this process, the political inter
dependence of the two levels of government is of the first importance
in order to prevent one level from absorbing all effective decision-
making power.²

A federal polity involves dual system of government. It is
distinguishable from a unitary system, because unlike a unitary
system, it has two sets of repositories of powers – the national
government and the state government. It is also distinguishable from
a confederation because under a confederation, it is only the state
government which operates directly upon the people and the central
government acts through the state governments. Under a federation,
both general and regional governments operate directly upon the
people.

These days the common experience is that no governmental
system can be purely federal or unitary. Even in a federal polity, there
are some notable trends towards centralism with the result that some
governments may be quasi-federal or unitary with federal features in
federal with subsidiary unitary features, as K.C. whereas opines in the
case of Indian Federal System.³

²  K.R. Bombwall, *The Foundation of Indian Federalism*, Asia Publishing
Delhi, 1984, p. 1.
Out of these two, which one a country adopts is dependent on the circumstances, environments and the legacy of the country. It means that the constitution framers of a particular country, more particularly the countries of the third world have to keep in mind the various socio-economic factors at work.

In vast countries like America, Soviet Union and India, adoption of federal system more or less becomes necessity. Federalism is considered as one of the constitutional device to effect unity and diversity. It is essentially and basically a unifying force. This can be endorsed by a comment made by M. Venkataragaiya in the context of Indian Federalism. He said, "It is the outcome of necessity cleared by hard political, social and economic facts. It is the only form of government that has so far been found appropriate to countries of vast size divided into provinces with varying special problems of their own and inhabited by people among whom there are cultural groups with an intense desire to preserve their uniqueness and individuality." 4

MEANING OF FEDERALISM

What does a 'Federation' mean? There are broadly speaking two approaches- the traditionalist and the modern one. Traditionalists place main emphasis on the existence of two independent and co-ordinate authorities enjoying plenary powers within their jurisdictions. K.C. Wheare quoted, "the method of dividing powers so that the general and regional governments are each within a sphere, co-

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ordinate and independent. On the traditional approach K.C. Wheare finds that there are only four federations operating in United States, Canada, Australia and Switzerland. He puts other federations in the category of quasi-federal. On the other hand, the modern approach finds recognition and formulation in the writings of scholars like Birch and Vile. They put emphasis on the idea of interdependence and the former has defined federalism by saying that "Federal system of government is one in which there is a division of powers between one general and several regional authorities, each of which, in its own sphere, is co-ordinate with each other. If this definition is compared to that of K.C. Wheare, it would appear that whereas K.C. Wheare insists on the independent status of the federating states, in the definition of Birch there is no such pre-requisite. The modern writers, instead, talk about co-operative federalism" wherein the relationship between the two sets of governments is one of the mutual co-operation and interdependence rather than of independence and legal barriers.5

Some writers go to the extent of regarding federation as a pure creatures of expediency whereby the powers are so distributed between the national and the state governments in such a way there is a scope for constant adjustments of relations between the two sets of governments according to the requirements of time and place. To quote Reagon, "the new style federation refers to a multifaceted positive relationship of shared action. The meaning of federalism today

5 Anirudh Prasad and Justice D.A. Desai, n.1, p. 23.
lies in a process of joint action, not in a matter of legal status. It lies not in what governments are but in what they do. It is a matter of action rather than structure. It is dynamic and changing not static and constant.  

Amal Ray stated, "both the Union and the States are independent and co-ordinate authorities enjoying plenary powers with their jurisdiction set by the constitution and each authority should be confined to its own sphere." The division of powers vary in different federal constitutions but the principles on which it rests, are almost the same. K.C. Wheare observed, "In a federal system, the powers of the government are divided between a government for the whole country and government for parts of the country in such a way that each government is legally independent within its own sphere. The government for the whole country has its own area of powers and it exercises its authority without any control from the government of the constituent parts of the country, and there later in turn exercise their powers without being controlled by the central government. In particular, the legislature of the whole country has limited powers". A.C. Dicey representing the same view, observed, "federalism means the distribution of the force of the state among a number of coordinate bodies each originated in and controlled by the constitution". M. Venkatarangaiya also endorsed the views of A.C. Dicey. He said, "The governments, central and local, must have complete freedom from

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mutual control and encroachment in the determination of their policies and the way in which they are exercised. It is his freedom that is the soul of federalism." 

All these writers who have built up a traditional model, discover the essence of federalism on complete independence of the centre and the constituent units from mutual control and they emphasize that each should be restricted within the limits of its own jurisdiction. Federal system, on the other hand defined by Daniel J. Elagara as mechanism based on units, distribution of powers between two governments, national and constituent in a way designed to protect the existence and area of authority of both which, according to traditional norms are considered to be 'coordinated government". 

According to R.L. Watts, "Federation as a form of political association in which two or more states constitute a political unity which a common government but in which these member states retain a measure of internal autonomy." In a federal system, there is concurrent existence of a government for the country as a whole and number of regional governments endowed with specific powers. "Federalism emphasis on a pluralistic approach to the community's political and economic conditions and insists on the territorial dispersal of political parties."

A.C. Dicey stated that federal state requires two conditions for its formation.

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8 M. Venkataragaiya, n 4, p. 170.
Firstly, there must exist a body of countries so closely connected by locality, history, race or the like as to be capable of bearing in the eyes of their inhabitants an impression of common nationality.

Secondly, it is absolutely essential to the founding of a federal system that there exists a very peculiar state of sentiments among the inhabitants of the countries wishing to unite. They must desire union and must not desire unity'. It means that constituent units of a federation for certain common purposes and interests maintain their individual identity by having regional autonomy.\(^{11}\)

A true federation comes into being when some Independent states agree to merge their status of being a 'State' and or 'Sovereignty' and to create a bigger new states involving at least two sets of government : union and regional governments.\(^{12}\) According to these writers, the essence of federalism lies in a complete independence of the centre and the constituent units from mutual control and emphasize that each government should be restricted within the limits of its own jurisdiction. Bryce regards that "the most striking and pervading characteristics of federalism is the existence of a double government, a double allegiance and double patriotism.\(^{13}\) In federation, there is not double government but multi-level governments. There is neither divided allegiance nor patriotism but


\(^{12}\) K.R. Bombwall, n.2, p.11.

each level of government functions within its own sphere. B.N. Gupta, describes, "National Unity and provincial autonomy must not be thought of as competitors for the citizens allegiance... they are but facets of the same thing—a same federal system".\textsuperscript{14} Attachment to a particular state did not come in their way.

From the viewpoints of the writers discussed above, it can be deduced that the division of powers is the very essence of a federal system. As two parallel governments have to function simultaneously over the same people and the same territory, their smooth functioning can't be secured without sufficient demarcation of spheres in which both the governments are to function. There should be constitutional division of powers with provision that each member of federation should be independent in the exercise of those powers which concern it but all must be subject to the common power of the federal government.\textsuperscript{15} Woolsey pointed out that the states in a federation have more competence and independence in so far as their powers are concerned.

So it can be concluded that the approach of above writers is legal, formal and constitutional. "One great limitation of traditionalists is that they do not look beyond the dry bones of a constitution to explore the myriad social and political forces that determine its forms


and working. A constitution is largely the product of myriad forces that operates in the social matrix.\textsuperscript{16}

On the other hand, there are writers, who have a dynamic approach to the study of federalism. Among them William S. Livingston is very important. He saw federalism as a product of interaction of social, cultural and political factors. He argued, "The essential nature of federalism is to be sought a, not in the shading of legal and constitutional terminology, but the forces – economic, social, political, cultural that they have made the outward forms of federalism necessary ... The essence of federalism lies not in the constitutional or institutional structure but in the society itself. Federal government is a device by which the federal qualities of the society are articulated and protected.\textsuperscript{17} W.S. Livingston established the interaction between the constitutional framework and the socio-cultural substructures. He opined that the form of the construction is not independent of the centripetal and centrifugal forces operating in the society. In fact, these factors manifest their expression in the constitutional arrangement.\textsuperscript{18} B.N. Gupta holds, "It is possible in a federation for the diverse entities to preserve their identity and their local institutions and at the same time attain common objectives of political and economic prosperity effectively and expeditiously."\textsuperscript{19} U. Hicks also

\textsuperscript{16} Amal Ray, n.7, p.2.
\textsuperscript{19} B.N. Gupta, n.14, p. 2.
presented similar view when he writes, "Federal constitutions are adopted because of divergence between the social, ethnic, religious or cultural outlook or the economic interests of people who would in their respects like to share their political life.20

Though federalism, various regions having diverse characteristics can be knitted together. On the basis of the above discussion, it can be said that India is essentially federal in nature and has heterogeneous qualities which has been clearly manifested. "Linguistic and cultural particularism expressed broadly through historically integrated geographical units, constitute the most powerful centrifugal forces in India which have always acted as a check on any movement towards Unitarianism.21

There are some other writers who put forward the idea of 'quasi–federal', 'federal-unitary' despite a federal facade'. According to R.A. Freeman, "On the one hand, each of the members of the union must be wholly independent in those matters which concern each member only. On the other hand, all must share the common power in all those matters which concern the whole body of the member collectively... Each member is perfectly independent within its own sphere.22 The emphasis on the 'Perfect Independence' of constituent units in a federation within a constitutionally demarcated sphere is also the distinctive feature of K.C. Wheare's definition of federation.

21   Amal Ray, n. 7, P.3.
K.C. Wheare expressed the view that under the federal system, "The general and regional governments of a country shall be independent from each other within its specified spheres".\textsuperscript{23} In this way India is a quasi-federal state because states don't enjoy independent status. He further observed, "the constitution of India doesn't indeed claim to establish a federal union, but the federal principles has been introduced into the term to such an extent that it is justifiable to describe it as quasi-federal constitution".\textsuperscript{24}

Many political scientists doubt the federal character of the Indian Constitution. P.T. Chacko felt that what the Constituent Assembly created was "a federation in form but a unitary constitution in substance", and complained that "all powers are given to the Parliament at the Centre and practically no power is given to the legislature in the States".\textsuperscript{25} B.N. Gupta is also of the opinion that India is not a federal state but a decentralized unitary state. P.S. Deshmukh also felt, "Indian Constitution is more unitary than federal". Lokannath Misra saw in the constitution, a complete distrust of provinces. Shyamanandan Sahay felt that the "Constitution created a kind of fedro-unitary system" under which the constituent units would be "perpetual words of the centre."\textsuperscript{26}

Thus political scientists have expressed different views on the nature of Indian Federal system. Some described it as 'quasi-federal

\textsuperscript{24} Ibid, p.183.
\textsuperscript{25} K.R. Bombwall, \textit{n.2}, p. 2.
\textsuperscript{26} Ibid., p. 2
while others as unitary with federal leaning. But B.R. Ambedkar clarified how Indian Constitution is federal:

"The basis principles of federation is that the legislative and executive authority is partitioned between the centre and the states not by any how to be made by the centre but by the constitution itself. This is what the constitution does. The states in our constitution are in no way dependent upon the centre for their legislative authority. The centre and the states are co-equal in this matter".27

Thus, the Constitutional Assembly, in fact, accepted the establishment of federal policy. The federal structure that emerged out of the deliberations of the Constitutional Assembly not only provided for a strong centre but also for a stronger executive at the centre itself. The values that determined the constitutional framework of the Indian federal system had historical, political and circumstantial contexts, and were almost invariably conducive to words of Mr. Granwill Austin, "the assembly was perhaps the first Constituent body to "Cooperative Federalism" or "Democratic Federalism". The federal and state governments are independent of each other. Therefore, inter dependence and co-operation between the two levels of government are the characteristic feature of modern federalism."28 Without inter dependence and co-operation, it is impossible to perform developmental functions in contemporary societies. K.C. Wheare rightly visualizes that if each regional government "confines completely

to itself, many matters will be less efficient because the experience of other states will have been neglected."\textsuperscript{29} Hence some agencies of inter-governmental co-operation have been devised in various federal systems, apart from pertaining to the formal federal framework. It therefore, necessitates 'a process of bargaining between central and the state Government in which experiment, co-operation and persuasion are requisitioned both to testify generally accepted norms and the usual procedural patterns of interaction between Union and State Governments. The fact is that, Indian constitutional system stands on the foundation of "Co-operative Federalism". Morris Jones designates it as 'bargaining federalism'.\textsuperscript{30}

"The modern approach of federalism is, therefore, that of co-operative federalism, wherein the relationship between the two sets of government is one of mutual co-operation and inter-dependence. It entails a multi-dimensional, positive relationship of shared action among the centre and federating units.\textsuperscript{31} Modern approach, moreover, gives emphasis on process (on action) rather than on structure. Further it is need based, it projects or endeavors to project the will of the people.

\textsuperscript{29} K.C. Wheare, \textit{n. 23}, p. 183.
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.\textsuperscript{32} 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.\textsuperscript{33}

The Indian constitution was framed when the idea of co-operative 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

Government should have power to take over its administration."  

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 economies, 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."  

"All these 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."  

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

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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. 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 statute, It was set up by a cabinet resolution. Despite its hacking in constitutional status, it has been more functional than the ISC". Like the other agencies, the Chief Minister’s conference is a summit meeting of the chief executives

40 Rekha Saxena, "Role of Inter-Governmental Agencies", 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."41

"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 on 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."42

PROBLEM

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

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41 Shriram Maheshwari, "The Centre State Consultative Machinery in India", in T.N. Chaturvedi and Abhijit Datta (ed.), *Union State Relations*, New Delhi, National, 1984, p. 45.
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
atrophyed 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.

**REVIEW OF LITERATURE**

Amal Ray⁴³ has made an attempt to analyse the operative forces and processes rather than the formal legal structure of Indian Federalism. He has also examined Indian Federalism in the light of theory of federalism and its working in other countries of the World.

H.K. Paranjape⁴⁴ has examined the constitutional and organisational setting of the Planning Commission in India. He has also analysed the main areas of tension between centre and states in the sphere of planning. He has also analysed the recommendations of Administrative Review Commission for recasting the role of Planning Commission.

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Alice Jacob\textsuperscript{45} stated that every federal constitution necessarily contains provisions regulating centre-state relations. These provisions must provide for adjustments in cases of conflict between the two co-existing authorities. There are generally four areas of conflict-the legislative, the administrative, the judicial and the financial. However, the constitution of India provides for a single integrated judicial system and has thus eliminated the chances of friction between the centre and the states in the judicial sphere. He also examined the constitutional provision and the working of the constitutional process with respect to potential conflict areas in centre-state relations during the post-constitutional era.

M.Venkatarangaiya and M.Shiviah\textsuperscript{46} have given a comprehensive introduction which traced the origin and evolution of Indian Federalism from 1861 onwards with due focus on its working under the present constitution. It clearly brought out the essential differences between federalism as conceived by the British who framed the Government of India Act, 1935 and federalism as is embodied in the constitution of free India but also on its actual functioning under the influence of numerous factors to which freedom has given birth.

\textsuperscript{45} Alice Jacob, “Centre-State Relations in Planning”, in S.N.Jain, Subhash. C. Kashyap and N.Srinivasan(ed), \textit{The Union and the states}, National Publishing House, Delhi, 1972.

\textsuperscript{46} M.Vankatarangaiya and M.Shiviah, \textit{Indian Federalism}, Arnold-Heinemann, New Delhi,1975.
Anirudh Prasad and Justice D.A.Desai\textsuperscript{47} examined that the distribution of powers between the National Legislature and the Legislatures of the components States is a vary core of a Federal polity which has come to be recognized as “far from being rigidly bound by ideological or logical conceptions……essentially a pragmatic scheme that not only permits but also require adjustments to meet varying needs of changing times”

Ram Niranjan Tripathi\textsuperscript{48} had made an attempt to analyse the role of India’s fiscal system in achieving Inter regional balance in economic planning and development. He has also assessed the extent of disparities in the levels of economic development among the different states in India. He has also analysed whether these disparities tended to be narrow down or widened in the course of the implementation of five years plans.

T.N.Chaturvedi and Kanta Prasad\textsuperscript{49} has brought out an edited volume which contains several articles dealing with various problems of administration and implementation of plans in India. These articles not only sum up our experiences but have relevance for other developed economies and hold lessons for our future planning efforts. Although the processes of planning have undergone substantial changes since the inception of Planning Commission in 1950, yet the

issues raised in various articles are still relevant and have not been resolved. The question of an adequate machinery for planning, implementation and evaluation is still being debated again and again, so also are the problems of multi level planning from above or from below.

Sharada Rath\(^5\) discussed the various theories and approaches to Federalism and, in that context, proceeds to analyze the trends of federalism in India, centre-state financial relations, cooperative federalism relating to the welfare of scheduled castes and scheduled tribes, socio-political aspects of national integration and city development. It also attempts a comparative appraisal of the functioning of Federalism.

P.R.Dubashi\(^5\) has focused on the changing character of the Indian polity, especially the impact of national planning on the autonomy of the constituent states of the union. He brought out the conflicting pulls of centralization and decentralization and end with the hopeful note that a correct balance between central direction and decentralized execution would eventually be found.

Shriram Maheshwari\(^5\) has laid emphasis on the development of consultative techniques between the centre and the states that are

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persuasive, negotiating and business like and he would like to substitute an Inter State Council, as recommended by the Administrative Reforms Commission, by abolishing many of the existing consultative forums.

Anirudh Prasad\textsuperscript{53} has examined how have courts play the role of balance keeper between the union and the states either through interpretive techniques or by their consciousness to the fact that India is a “Union of States” and what role if any it can play in future. He has also analyzed the burning controversies between the centre and states particularly in the field of Planning Commission and Finance Commission.

K.C. Markandan\textsuperscript{54} has made an in-depth study on the provisions of the Indian Constitution and Documents relating to the framing of the constitution. He revealed that the main objective of the framers of the constitution was to provide a constitutional framework that would be appropriate to the Indian society, its growth and development, They were more concerned with the unity and integrity of the country rather than anything else.

R.C.S.Sarkar\textsuperscript{55} has analysed the entire gamut of union state relations and systematically examined all the related constitutional provisions against the background of grievances voiced and proposals for change mooted from different quarters. He has analysed every

\textsuperscript{53} Anirudh Prasad, \textit{Centre-State Relations in India}, Deep and Deep Publications, Delhi, 1986.
\textsuperscript{54} K.C. Markandan, \textit{Centre-State Relations}, ABS publications, Jalandhar, 1986.
issue with remarkable objectivity and came up with his own reasoned recommendations.

P.K.Gopalakrishnan\textsuperscript{56} has recognized that there is a need for building up institutional agreement for plan formulation in respect of economic activities which call for community involvement at different levels. He has also analysed the role of Planning Commission in the formulation and implementation of plans.

Phul Chand\textsuperscript{57} has made an analysis of center-state relations in the sphere of planning. He focused on the constitutional provisions rather than on the contents of plan. He felt that states have a limited say in plan formulation.

Hari Hara Das and S.Mohaptra\textsuperscript{58} maintained that sub-national forces have acquired a consciousness and are no longer prepared to remain at their previous dormant positions. India is to uphold her dignity as a leader of the Third World. At the same time, centrifugal tendencies are gaining vigor day by day. Thus a need has arisen for harmonious blending of the three concepts-sub-nationalism, nationalism and internationalism.


\textsuperscript{58} Hari Hara Das and Sunjukta Mohaptra, \textit{Centre-State Relations in India : A Study of Sub-National Aspirations}, Ashish Publishing House, Delhi, 1986.
S.L. Verma\textsuperscript{59} has made a comparative analysis of the working of Federalism in countries like United States of America, Switzerland, Canada and Australia. He believed that the domination of parliamentary system in India is one of the major factor for weakening the federal polity in India. He also conceived the Indian Federation as headless one because it postulates the hegemony of the Prime Minister through the President.

R.K. Sinha\textsuperscript{60} has made an intensive study of the struggle between the centre and the states especially in the sphere of finance and planning. He pointed out the strength and weakness of the constitutional provisions and identified the type of problems which have emerged during the years. He suggested a mechanism for the better understanding and mutual co-operation between the centre and the states in the interest of harmonious relationship, coordination and maximum exploitation of resources.

Jai Prakash Sharma\textsuperscript{61} made a humble attempt to seek historical justification as to why federation could be treated as the only suitable like those of India and Pakistan. The fact that not only the character of the ancient imperial state was basically federal but also the Hindu Society and religion, both were federally organized. Centralization has, thus appeared to be against the genius of the race.

B.G. Verghese\textsuperscript{62} expressed the view that Indian democracy can be strengthened if both the centre and states made an effort to cooperate with each other. He said that by extending material cooperation, all stresses and strains between the centre and states will be eliminated. In this way, both centre and states would work together for the reconstruction of the country. But he doubted that India lacked political culture to build co-operative federation. So he suggested that a culture of mutual trust and faith will have to develop for making the concept of Co-operative Federalism more successful in India.

E.G. Bhambr\textsuperscript{63} has analyzed the period of president rule in various states of India. He suggested that president’s rule has been imposed more than 100 times in India. Article 356 was frequently used during the regime of Indira Gandhi. During Indira Gandhi’s regime, there was instability in state policies and the problem of defection was also very much popular during that period. The Congress Government at the centre, at that time, was not prepared to tolerate non-congress governments at the state levels. Thus the Governor at the direction of the Union Government toppled down non-Congress Governments in various states by adopting unconstitutional techniques.

\textsuperscript{62} B.G. Verghese, “For Co-operative Federalism”, \emph{Indian Express}, Chandigarh, February 17, 1988.

\textsuperscript{63} E.G. Bhambr, \emph{State Politics in India}, Sterling Publishers, Delhi, 1989.
H.A. Gani\textsuperscript{64} has made an attempt to analyse centre-state relations in India upto the end of Rajiv Gandhi’s era. He examined issues and institutions established for the smooth functioning of the centre-state relations. He also analysed and described the origin and decay of various institutions, he forced on the Sarkaria Commission endeavor to resolve the issues which had cropped up from time to time and hindered the growth of healthy centre-state relations.

B.M. Bhatia\textsuperscript{65} expressed the view that planners had now realized that the ultimate solution to the problem of unemployment in this country lay in making agriculture more labour productivity than it had been doing in the last few decades. He expressed the view that seventh plan fixed a target increase in employment during the plan period at 40.4 million standard person year (SPY).

Nirmal Mukarjee\textsuperscript{66} expressed the views that the centre is overloaded with the powers and functions. Decentralization, is therefore, the foremost agenda for India’s political economy. He felt that the two agendas require simultaneous attention, a new economic policy which does away with centralizing bureaucratic controls, and a new political policy which devolves the lower democratic formation – all powers and functions other than those the centre alone can and should have, thereby allowing the people to have a greater say in their own affairs.

\textsuperscript{65} B.M. Bhatia, “Putting Jobs in the Plan”, \textit{The Tribune}, Chandigarh, February 13, 1990.
R.C.Dutt\textsuperscript{67} has made an attempt to analyze the eighth five year plan. He has also made a distinction between eighth five year plan and earlier plans. He has also determined the assumptions on which the eighth five year plan is based. He analyzed the strategies on which the plan relied and determined the likely consequences if the strategies failed.

Raja.J.Chelliah\textsuperscript{68} expressed the view that disbursal of funds from the central planning authority has resulted in financial discipline in the country. He made a bold recommendation of taxing agriculture income exceeding Rs 25,000. He was also critical of the Planning Commission’s adoption of targeted rate of growth which went without the targeted rate of investment. He also given some concrete suggestions for restructuring the role of Planning Commission.

K.S.Krishnaswami, I.S.Gulati and A.Vaidyanathan\textsuperscript{69} analysed that without an effective devolution of authority by the centre to the states, there will be neither purpose nor substance in the state policies of the decentralization of planning and administration. Basically, however the culture of existing political parties and administrative organization is wholly inconsistent with the objective of power sharing or decentralized planning.

Alice Jacob\textsuperscript{70} stressed that the need of geographical distribution of power is desired or has been achieved in a way by giving the several governmental units, a system like Planning Commission, National Development Council, Inter State Council, some degree of security, some guarantee of continued existence as organizations and as holders of power. He stated that it needs to be underscored that the concept of Cooperative Federalism is dynamic and presents a continuing and ongoing process requiring political and administrative innovations with the ultimate aim of reconciling Good Governance.

Manipal\textsuperscript{71} recognized the importance of decentralized planning for the development of the entire country. Keeping in view this fact, Planning Commission issued the guidelines for district planning to the states. Subsequently, two working groups, one in 1978 under the chairmanship of Prof. Dantawala and the other in 1984 under the chairmanship of Prof. C.H. Hanumnatha Rao, were constituted with a view to strengthening the Planning Machinery and evolving a sound methodology for achieving full employment along with balanced growth throughout the country. In February 1992 as per the decision of the 43\textsuperscript{rd} meeting of the NDC, a committee of people at the grass root level was constituted under the chairmanship of Chimanbhai J. Patel, Former Chief Minister of Gujrat, with a view to devising steps for


making micro level planning, operationally effective and viable and suggesting ways for involving people at the grass root levels.

Kalyan Raipuria\textsuperscript{72} held the view that the Eighth Five Year Plan represented a necessary integrative system. It indicated the need for midcourse review and is subject to change, innovation and adjustment. The Eighth Plan pointed to the much needed monitoring system to give timely signals of the performance, and the certain measures to involve professional and people at large. The sine-qua-non of planning, as it emerges from the plan document, was that it is a “shared commitment to achievement of national priorities”, where malice has hardly any place.

Sukhjinder Singh Tiwana\textsuperscript{73} made an attempt to examine the role of Governor in the area of centre-state relations. He drew attention to some disturbing trends and make suggestions to checkmate them by making suitable amendments in the constitution. He suggested that there is a need to review the present disturbing trends developing in the role of Governor. The constitution must be restored to what its framers intended it to be. Suitable amendments should be made in the constitution to remove the distortions that have crept in and prevent the abuse of the office of Governor in the context of centre-state relations.

\textsuperscript{72} Kalyan Raipuria, “With all Malice towards Planning: Development Planning and Management in Changing Perspective”, \textit{Mainstream}, Vol. XXXI, Delhi, March 27, 1993.

Ganesh Kanwadia and M.V.Kapade\textsuperscript{74} expressed the view that there were no clear cut guidelines about the transfer of resources for development purpose under the plans. Generally states which were able to contribute more towards plan development were given resources under the plan transfer. As such richer states get more plan assistance as compared to poor states. They argued that this was against the concept of balanced growth. They also analyzed the reaction of state governments against the present system of plan allocation of resources.

S.N.Singh\textsuperscript{75} expressed the view that since the inauguration of the constitution, the world has always been watching the political developments in India with great interest. He covered a wide spectrum of federal system such as legislative relations, administrative relations and financial relations and the emergence of regional and secessionist threats. He also analysed the federalizing process in India, which had been subject to test for 50 years. Many stresses and strains were observed in centre-state relations, particularly on the issue of contradictory role of Governor.

Meena Verma\textsuperscript{76} examined that the states in Indian union vary not only in the density or population distribution but there is also wide inter-state disparities in the levels of development. After

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\textsuperscript{75} S.N.Singh, Centre-State Relations in India, Lukhnow Publications, Lukhnow, 1994.
\textsuperscript{76} Meena Verma, Centre-State Relations : Economic and Political Dimensions, Deep and Deep Publications, Delhi, 1994.
\end{flushright}
independence and formation of federation, planning has been adopted for the faster economic growth of the country. For the successful implementation of five year plans, therefore, there has been deliberate effort, on the national as well as on the state levels, on the front of economic development, within the framework of Indian Constitution. He made an attempt to access as to what extent these efforts had contributed to economic development. He also suggested modifications in the economic plans with a view to strengthen their suitability as the instruments of economic development.

F.G.Carnell\textsuperscript{77} pointed out that there are two types of federation from the point of view of patterns of social diversities. In countries like Malaysia and Central Africa, the principal social diversity, racially or communally or otherwise based, defies exact territorial demarcation creating social problems of federalization. On the other hand in countries like Nigeria and India, major diversities have a clear territorial base creating problems of secessionist threat and interface through border. The Constituent Assembly of India, while devising federal arrangements, took into account all these factors in mind while framing Indian Constitution.

G.Parthasarthy\textsuperscript{78} examined the impact of federalism on constitutional process in India. He held the opinion that federalism in India provides a adequate basis for dealing with day-to-day problems

\textsuperscript{78} G.Parthasarthy, “Federalism and Constitutional Process in India”, \textit{Mainstream}, Delhi, August 17,1996.
of the people. He felt that the existing administrative and political structure of India is inadequate to meet the growing aspirations of the people. He also examined the prevailing circumstances in the country which compelled the Union Government to enact 73rd and 74th Constitutional Amendment Acts which aimed at strengthening the grass-root institutions.

G.Thimmiah\textsuperscript{79} has examined the role of Planning Commission in India. He admitted that Planning Commission could not cope with changing perspective of the government particularly in economic spheres partly due to its failure to recognize the implications of the fast changing economic scenario in the World. He felt that there is an urgent need to bring the reforms in planning process as well as in the structure of Planning Commission.

A.K.Majumdar and Bhanwar Singh\textsuperscript{80} analysed the various aspects of historical, conceptual and ideological development of democratic decentralization of power in Indian Political System. He also examined the different aspects like a historical background of democratic decentralization, macro and micro analysis of decentralization, conceptual proposition and ideological development, nature, scope and limitation and decentralized planning, the idea, the image and the reality of decentralized planning, decentralized rural

\textsuperscript{79} G.Thimmiah, “Redefining the Role of Planning Commission”, \textit{Man and Development}, Delhi, Vol, XVIII, No.4, December 1996.

development programs, patterns of decentralization in states and future of democratic decentralization in India.

G.Guhan\textsuperscript{81} has made a comparative analysis of federalism in Indian and German constitutions. While Germany is classically a Federal state, with each lander having its own flag, constitution and defined role. Indian Constitution without using the term federalism has included some elements of federalism and has been structured accordingly. However both constitutions are based on the principles of Cooperative Federalism and are making determined efforts to reconcile both the shared rule and self rule between the centre and the states in India, and between federal government and the Lander in Germany.

M.Siraj Sait\textsuperscript{82} explained the framework of federal structure in the Indian Constitution. He concluded by presenting an agenda for taking appropriate steps to build a stronger federal India.

Chander Pal\textsuperscript{83} analysed the power of the President to dissolve the state assemblies under Article 356 of the Constitution which was intended a safety value by framers of the constitution. It has been used as a strong political weapon to get rid of the government not of their choice in the state. What constitutional methods could be evolved to place a check upon the misuse of this power? This is a


burning question which is of late been engaging the attention of the jurists in the country. He said that there has been a full debate on Article 356 before the Sarkaria Commission, Before the Inter State Council and before the Supreme Court. The consensus is that we do need the Article but it should be used in the rarest of the rare cases.

Pran Chopra\(^{84}\) talked about the inevitability of choosing the federal system in Indian Polity. The Indian system according to him, has successfully withstood the stress of resolving the question of merger of princely states and subsequent re-organization of the Indian states. This is an example of federal system and democratic polity reinforcing each other. In the recent past, however the fragmentation of political parties and the emergence of coalition politics have created many stresses which have led to a sense of despair among the people. It appears that although there is a moral vision, there is no institutional apparatus to make it effective. This has resulted in judiciary becoming the sole interpreter of the constitution as in the case of Article 356, legality of no-confidence motion etc. He suggested the adoption of the constructive vote of no-confidence as a way out of the problem.

Jeevan Nair and U.C Jain\(^{85}\) analysed the concept of Indian Federal Policy as enshrined in the Indian constitution. They traced the development of the federal structure of India before and after

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independence, its impact on national integration, politics and functioning of government. They compared India’s federal structure with that of America, Switzerland, Australia and other countries which are known for their strong federalism. They identified the reasons why the Indian federal structure is not strong as that of United States of America and Switzerland. They also analysed the changes that had taken place in the federal system particularly after the emergence of the era of globalization.

S.Saravana Kumar86 analysed the political situation under Article 356 was used or misused in Indian Federalism. He said the main point of criticism in regard to the use of Article 356 is that it was interpreted and applied differently in similar situation to suit the political situation of the party in power at the centre. He also analysed the viewpoints of various political leaders like Karunanidhi, Farooq Abdullah, Parkash Singh Badal, Prafulla Kumar Mahanta, Jyoti Basu on the issue of delection or retention of Article 356. He also analysed the recommendations of Sarkaria Commission and regretted that its recommendations have not been accepted. He also examined historical Supreme Court judgement in S.R. Bommai case in 1994 on the use of Article 356.

Zoya Hasan87 focused on the significant themes in contemporary Indian Government and politics. She explodes the social and political dynamics of the state and major developments influencing the formation and transformation of the states in independent India.

86 S.Saravana Kumar, “Article 356 and Indian Federalism”, Third Concept, Delhi, April 2000.
Rekha Saxena\textsuperscript{88} examined the role of Inter-Governmental agencies in Indian Federalism. She also classified the forums and agencies into three categories such as Inter Governmental Agencies, Federal Agencies and Inter State Conferences of the Chief Ministers. She held the opinion that both National Development Council and Inter-State Council have proved to necessary and integral part of Indian Federal Structure. She felt that few reforms are required to make these institutions more functional and relevant. She suggested that National Development Council and Inter-State Council should be integrated together to created as the apex Inter-Governmental agency. She held the opinion that such a merger will definitely have desirable effect as it would avoid unnecessary bifurcation of the apex inter-governmental body with the same membership in the National Development Council and Inter-State Council.

V. Venkatesan\textsuperscript{89} analysed the recommendations of the seventh meeting of Inter-State Council which was held on November 15, 2001. The Inter-State Council recommended that all the residuary powers of legislation should be transferred from the union list to the concurrent list. He also analyzed the arguments put forth by the Chief Ministers of West Bengal, Tripura, Jammu, Kashmir and Manipur on the issue of transfer of residuary powers to the state list. He stated that Inter-state Council also endorsed the recommendations of Sarkaria Commission about the office of the Governor. Inter-State Council

\textsuperscript{88} Rekha Saxena, “Role of Inter-Governmental Agencies”, \textit{The Hindu}, Bangalore, 2001.

\textsuperscript{89} V. Venkatesan, “Centre-State Relations; A Blow For Federalism”, \textit{Frontline}, New Delhi, Vol. 18, Issue. 25, December 8, 2001.
recommended that Governors should not return to active partisan politics after relinquishing office of Governor. This is necessary to ensure the functioning of the Governor in an independent and partial manner. The Inter-State Council recommended that appropriate safeguards be incorporated in the commission of Inquiry Act to prevent its misuse by the centre when it sets up a commission against any minister of the State Government.

Krishan Mohan Mathur\textsuperscript{90} stated that in federal country of sub-continental dimensions like India, the lessons from centre-state relations must be learnt on a continuous basis from the past experience. He analyzed and critically evaluated these experiences in the new era of coalition politics.

K.L.Bhatia\textsuperscript{91} explained one of the most conceived feature of the constitutions of India and Germany, namely federalism, illuminating by the competing traditions, devised by the founding fathers, developed by the growth of constitutional politics, compared with the developments aftermath the world war II as well as decentralization giving rise to new constitutional culture.

Lawrence Saiez\textsuperscript{92} examined the impact of political and economic reforms of India’s federal systems. He also examined the concomitant effects of the rise of regional politics parties that have


significantly altered the parameters of political and economic decision making institutions within the country. He perceived a shift from co-operative federalism to jurisdicti onal conflicts in the expanded ambiance of union-state relations as well as the relationship between the state and the private sector. But at the same time, after a close study of the Inter-State Council(ISC), he concluded that ISC is not given due recognition by the policy-makers.

Rekha Saxena\(^93\) tried to survey the trends in Canadian Federalism with inputs from other federal systems. She observed that where as Canadian Federalism has successfully moved in the federal direction despite its quasi-federal constitution, which is also quasi-federal, and extra constitutional centralization, at least upto mid 1980s. Canada has successfully developed some innovative federal mechanisms outside the legal constitutional set up, where as in India, even constitutionally devised federal mechanism like Inter State Council(ISC) has remained dormant for most of the time due to political apathy.

Rekha Saxena\(^94\) pointed out that India’s experience with its two Inter-Governmental Agencies- National Development Council and Inter- State Council have not been as successful as Canada’s First Minister’s Conference(FMC). This can be taken as an indicator of the fact that the Indian political system in its working is less federal than


the Indian polity. Neither the National Development Council and Inter State Council can match the FMC as an Inter Governmental Forum of federal provisional bargain and the decision making for the last more than a decade, the Inter-State Council has been discussing the Sarkaria Commission Recommendations ad nauseam without any result by way of implementation. The Inter-State Council is thus proving itself to be a mere talking shop. On the other hand National Development Council by lacking a constitutional status, plans can be/are launched without the stamp of its approval and its meetings are not held for years.

Rekha Saxena\textsuperscript{95} analysed the role of inter-governmental agencies in Indian Federalism which are considered as an essential mechanism to negotiate, regulate and formulate common policies at least in the areas of shared jurisdiction. Besides, such agencies may also be necessary for exclusive jurisdiction for the obvious reason that in the era of co-operative federalism, the federal government often uses its generally larger revenues to initiate centrally sponsored schemes of development and special policies with consent of state governments. Such schemes may be fully and partly funded by the union and implemented by the states.

M.G.Khan\textsuperscript{96} said that the breakdown of the National Consensus on a parliamentary majority in India, a phenomenon which

\textsuperscript{95} Rekha Saxena, “Role of Inter-Governmental Agencies in Indian Federalism”, \textit{The Indian Journal of Public Administration}, Vol.XLIX, NO.1, Delhi, January-March 2003.
is a characteristic of the function of the parliamentary governments in the developing countries, has led to a new trend, that is coalition, to identify federal division of powers with sub-national pluralism. Coalitions have become an inevitable and indispensable part of the national and regional politics in the present politics of India, primarily owe their existence to set of determined people, who combine to govern for personal and partly ends. The federal approach in governance is the result of the assertion of the regional parties. Their participation in the coalition government is the reinforcement of the “periphery” add federal governance at the centre.

Vinay Kumar\textsuperscript{97} examined the deliberations that took place at two day Inter-State Council meeting held at Sri-Nagar on August 28, 2003. This meeting of Inter-State Council was historical in the sense that the centre and the states have reached a consensus on retaining article 356 in the constitution that empowers the centre to impose president’s rule in the state but favoured incorporating certain safeguards to check its misuse. The centre must incorporate the essential features of Bommai case judgement into the constitution. Inter-State Council has become an effective forum for sorting out crucial issues of co-operating federalism and socio-economic development.

\textsuperscript{96} M.G.Khan, “Coalition Governmental and Federal System in India”, \textit{The Indian Journal of Political science}, Vol.64, No.3-4, Meerut, July-September 2003.

\textsuperscript{97} Vinay Kumar, “Consensus on Article 356”, \textit{The Hindu}, Bangalore, July 29, 2003.
H.V. Hande\textsuperscript{98} made an attempt to examine the constitutional debate on Article 356 that took place in the Constituent Assembly on August 4, 1949. Article 356 owes its genesis to section 93 of the Government of India Act, 1935, a section which essentially dealt with the taking over of the Provincial Government by the Governor. He said that inspite of the assurance given by Dr. Ambedkar, Article 356 was continuously misused for 50 years by the centre which was strongly objected by many leaders. He has also examined the recommendations of Sarkaria Commission on Article 356, He said that the Sarkaria Commission has given concrete suggestions to strengthen federalism and prevent the misuse of Article 356, but the recommendations were not given any statutory form. It was only because of this anomalous situation that many State Governments were dismissed even after 1988 by the Union Government headed by Chander Shekhar and P.V Narsima Rao.

Mahendra Prasad Singh\textsuperscript{99} presented a case for the “constitutionalization” of Inter-Governmental Forums with the reasonable degree of parliamentary and legislative control from the two levels of government. With declining investment by the state in the economy and the emerging profile of federal regulatory state in place of the bureaucratic state, a new partnership between the state, the civil society; and the market, needs to be formulated.


Prakash Karat\textsuperscript{100} has analysed the working of federalism in the political system of India. Indian Federalism worked satisfactorily during the first seventy years of Independence. Tensions were emerged in 1967 when united front governments came to power in nine states of Indian Union. The seventies and eighties saw a conflict between the congress on the one hand and the regional and left parties on the other hand for greater powers to states. He said that the political development associated with the end of one party dominance, the rise of regional parties and the assertion of the left parties for a more federal system were favourable for the shaping of a federal structure. But this has not happened. This is mainly due to two countervailing factors. The first is the outlook of two big political parties-the Congress and the BJP. The second is the process of Liberalization, which has been unfolding in one and the half decades. He held the opinion that the ninetees have been widening regional disparities—both inter-state and intra-state. The policies of liberalization have benefitted a clutch of states like Maharashtra, Gujrat, Tamilnadu, Karnataka and Andhra Pradesh which have received a bulk of foreign direct investment and bank credit.

Ajay Kumar\textsuperscript{101} Singh held the opinion that the founding fathers of Indian Constitution gave to India a union model of federalism, which critically blends the best feature of all the important

\textsuperscript{100} Prakash Karat, “Federalism and the Political System in India”, \textit{Marxist}, Delhi, 2004.

types of federalism. The emerging Indian model reconciles the imperatives of strong centre with the need for state autonomy. It distributes power, yet does not affect a rigid compartmentalization, where centre and states collectively aspire to work together for the welfare of the people. Working aberrations have caused frictions 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.

N.K.Singh\textsuperscript{102} made an attempt to focus on the states in the context ofCentre-State relations. He has analysed the issues debated in the conclave of Chief Minister’s meeting held on August 7, 2005. He said that the discussion in the Chief Minister’s conclave was centred on seven issues namely matching outlays with outcomes, need for smaller states, Choice between free and fair power to farmers, implementation of the VAT and future of privatization on inter-twining of good economies with good politics. Consensus was brought about on many issues confronting the states. It was also realized that there is a need for a improved institutional mechanism for centre-state dialogue. He also analysed the role of National Development Council, Zonal Councils and the Inter-State Council under successive regimes. He concluded that India has outgrown these institutions or at least the way in which they are run. He suggested that there is a need to

\textsuperscript{102} N.K.Singh, “Centre and the States-A New Compact”, \textit{The Indian Express}, Mumbai, August 14, 2005.
reinvent the National Development Council and refocus the Inter-State Council on key policy issues. He expressed the view that the coalition politics at Union level created new challenges which can only be met with meaningful dialogue with the states.

Ahmad Shamshad and M.D.Nafees Ahmad Ansari\textsuperscript{103} examined the role of Planning Commission during the last fifty years of planned development. They said that like development, social development too, has several connotations and is often used very broadly to refer to improvements in human well-being. It is also used to refer to development that is not strictly economic or market driven but also include improvements in the quantity and quality of public social services, such as education, health, sanitation, access to clean water and other goods and services that are to be provided to all people by public institutions.

Dharam Singh\textsuperscript{104} highlighted the purpose of creating Inter-State Council as it provides a forum to discuss subjects of common interest to the centre and states and make recommendations for better policy-making and co-ordination. But he realized that unfortunately, for the last many years, the Inter-State Council has failed to find a consensus on the recommendations of Sarkaria Commission. He held the opinion that Inter-State Council should also discuss issues of crucial importance which are concerned with


\textsuperscript{104} Dharam Singh, “Inter-State Council should focus on Development”, \textit{The Hindu, Bangalore}, March 30, 2005.
economic development, removal of poverty, good governance and delivery system for citizens.

Rekha Saxena\textsuperscript{105} made a comparative analysis of Inter-Governmental relations in India and Canada. She held the opinion that both Canada and India adopted constitutions in 1867 and 1950 respectively, broadly similar in principle to the West-Minister model prevalent in England. Both the countries adopted federal system within the framework of parliamentary democracy. She expressed the view that federal-provisional relations in Canada and union-state relations in India have become increasingly important with the growing federalization/regionlization in Canada since the Second World War and in India since the 1980s.

Sohan Lal Meena\textsuperscript{106} stated that state politics has changed in last sixty years in terms of style of functioning. From the 1950 to the mid 1960s, political developments at State level were not taken seriously because of the dominance of single political party in India. There were remarkable political developments in the states after 1967 like formation of coalition governments in the states, defections, regional movements, state polity systems, rise of regionalism etc. Sub regional politics has become an important aspect of state politics. There has been a federalization of party system with a bipolar party system. Since the late 1980s with the rise of strong regional parties, Centre-State relations have shifted from a consensual to a conflictual

model. Greater focus on the redefinition of the role of the states is urgently required.

I.Subramanyam\textsuperscript{107} made a humble attempt to examine emerging challenges to Indian Federalism. He expressed the view that states have been given raw deal in socio, economic and political spheres. The Inter-Governmental Agencies like the planning commission, National Development Council and Inter-State Council have undoubtedly, strengthened the Union Government in concentration of economic powers. With the introduction of planning and state directed social and economic development, the prominent role of centre has been strengthened further and the dependence of the states on the centre for financial assistance had increased to a larger extent. He suggested that there is a need to redefine centre-state relations in India. Some subjects of the concurrent list must be transferred to the state list so as to make states genuine partners in a federal polity.

N.K.Singh\textsuperscript{108} made an attempt to examine the working of centre-state relations in India. He suggested that devolution through ministries in respect of central schemes should be transparent. There is also a need to check allocation of funds across states to evaluate the same for capital and current expenditure or the conditions under which allocations are made. There is also a need to have well-


functioning institutional mechanism for centre-state dialogue. National Development Council was designed to facilitate such a dialogue, but has become a ceremonial body, meeting occasionally to approve five year plans, mid-term reviews or special reports. Similarly Inter-State Council which is requested to play central role in dispute resolution, has not served this purpose. He suggested revamping of both National Development Council and Inter-State Council.

Prakash Chandra Jha\textsuperscript{109} examined the various factors which have led to fiscal and political decentralization in Brazil. They are responsible for creating a number of obstacles in functioning of federalism in Brazil in the recent time. Important among them are debt of state levels, fiscal crisis, sub-national fiscal tax and macro economic problems. Besides lack of institutions in Inter-Governmental relations make it difficult for state and federal government to come together to solve these problems. Introduction of fiscal responsibility law (FRL) and reforms in health and education have had great success.

Ramesh Ramanathan\textsuperscript{110} examined that while Panchayati Raj Institutions, created after great and prolonged struggle, have given rural dwellers their self-governance structures and a fair degree of empowerment, nothing similar has been done for urban dwellers. Participatory involvement of citizens in and accountability of local self-

\textsuperscript{109} Parkash Chandra Jha, “Federalism and Decentralisation in Brazil”, \textit{The Indian Journal of Political Science}, Vol-LXVIII, No.1, Meerut, January-March 2007

government structures are almost totally absent in the urban areas. He discussed the role of a non-governmental organization (in which he himself is actively involved) in attempting to create informal structures that seek to redress this shortcoming and offers a charter for more formally recognized structures that could be organized on a wider scale to give the urban-dwellers a voice.

Shivraj Patil\textsuperscript{111} in his inaugural address at the pre-conference of the Fourth Inter-National Conference on Federalism, said that for governance to be effective, cooperation between the union and the states was a critical pre-requisite and cooperation required close coordination, accommodation of diversity, adaptation and modification to regional specificities. He suggested that for augmenting the spirit of co-operative federalism, formal institutional arrangement for centre-state co-ordination such as Planning Commission, Inter – State Council, The National Integration Council, The Zonal Council and the tribunal adjudicating disputes are required to be strengthened.

Chander Pal\textsuperscript{112} analysed constitutional debates on the nature of Indian Federalism that took place in the Constituent Assembly at the time of framing of Indian Constitution. He has made an attempt to define the concept of federalism. He analyzed the working of Indian federalism in USA and USSR. He concluded that none of the two

\textsuperscript{111} Shivraj Patil, “Centre-State Co-operation-Key to Effective Governance”, \textit{The Hindu}. Bangalore, February 22,2007.
federal systems can be identical because every country adopts the federal formula which is most expedient to solve its own problems.

Satya Prakash Dash\textsuperscript{113} analysed the growth of Federalism from the colonial period to independent India. He specifically focused on the theme of distribution of responsibilities among federal tiers. The division of powers between the Union and the State is analysed and examined in the context of the new demands of greater autonomy. He focused on varied responsibilities between the union and the states and provisions of Part XI of the Indian Constitution so as to ascertain the basics of Federalism in India.

Janak Raj Gupta\textsuperscript{114} discussed the proceedings of fourth International Conference on Federalism in New Delhi in which the discussions were held on various challenges faced by the federal countries. By reviewing all the proceedings of the conference, he concluded that it must be remembered that in a developing federation like India only an accommodating and mutual good faith approach among different layers of the government can ensure a sustainable and more inclusive economic growth. He stressed that countries like India with large variations in culture, customs, traditions, languages etc must adopt a federal set-up to maintain a balance between preserving regional variations and National Unity-what is commonly known as Unity in Diversity.


**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.