

CHAPTER: FEDERALISM

1. ORIGIN AND HISTORICAL BACKGROUND OF FEDERALISM

The idea of federalism developed as a way to govern a country by dividing powers between different levels of government.

Origin of Federalism in the United States

1. The United States originally consisted of 13 British colonies.
2. Formed a confederation under the Articles of Confederation in 1781 after independence.
3. Realised a stronger central government was needed for common problems.
4. Adopted the US Constitution in 1787 (effective 1789).
5. Established a federal system dividing powers between central and state governments.

Background of Federalism in India

1. **Large geographical size:** Vast country with diverse regional needs.
2. **Cultural diversity:** Multiple languages, customs, and traditions.
3. **National unity:** Maintaining unity while respecting diversity.
4. **Integration of princely states:** Merging states post-independence.
5. **Partition:** Addressing severe political and administrative challenges.
6. **Socio-economic development:** Coordinated efforts against poverty and inequality.

2. MEANING & FEATURES OF FEDERALISM

Federalism is a system of government in which constitutional powers are divided between a central government and regional (state) governments. Both levels exercise authority within their respective areas. In India, local governments also function at village and town levels with distinct constitutional status.

Main Features of Federalism:

- 1. Two or more levels of government
- 2. Constitutional division of powers
- 3. Written Constitution
- 4. Supremacy of the Constitution
- 5. Independent Judiciary (settles disputes)
- 6. Distinct Financial Powers
- 7. Constitutional Protection of powers
- 8. Consent of each level of government for major changes.
- 9. Mutual Cooperation between levels. Ex - Warfare schemes disaster management.
- 10. Dual objectives - To safeguard and promote the unity of the country and To accommodate regional diversity.

3. TYPES OF FEDERATIONS

A. Centripetal (Coming Together Federation)

Independent states voluntarily join to form a larger nation to share powers and increase security.

- States have equal/similar constitutional status.
- Center is formed via mutual agreement.
- **Examples:** USA, Switzerland, Australia.

B. Centrifugal (Holding Together Federation)

A large country divides powers between central and regional governments to accommodate diversity.

- Central government is generally more powerful.
- Different regions may get varied autonomy.
- **Examples:** India, Belgium.

4. INDIA AS A UNION OF STATES

Article 1 of the Indian Constitution: "India, that is Bharat, shall be a Union of States."

The term *Union of States* is used instead of *Federation of States* because:

- 1. The Indian Union is not the result of an agreement among independent states.
- 2. States do not have the right to secede (separate) from the Union.
- 3. The Union is permanent, though state boundaries/names can be re-organised by Parliament.

Articles Related to Formation and Reorganisation of States

- **Article 1:** Describes India as a Union of States.
- **Article 2:** Empowers Parliament to admit or establish new States.
- **Article 3:** Empowers Parliament to form new States, alter areas, boundaries, or names of existing States. (President refers Bill to State Legislature for views, but Parliament is not bound by them).

5. FEDERAL FEATURES OF THE INDIAN CONSTITUTION

- **1. Division of Powers:** Done via the Seventh Schedule into three lists.
- **2. Written Constitution:** Clearly defines powers of both levels.
- **3. Supremacy of the Constitution:** Limits prescribed on both Union and State actions.
- **4. Independent Judiciary:** Supreme Court resolves inter-governmental disputes.
- **5. Bicameral Parliament:** Lok Sabha and Rajya Sabha (Rajya Sabha represents the States).
- **6. Amendment Procedure:** Federal provisions require ratification by at least half of State Legislatures.
- **7. Separate Executives:** Both levels have distinct executive authorities.
- **8. Three Levels of Government:** Central, State, and Local Governments.

6. UNITARY FEATURES OF THE INDIAN CONSTITUTION

- **1. Strong Central Government:** The Central Government has more powers and authority than the State Governments.
- **2. Single Constitution:** There is only one constitution for the entire country.
- **3. Integrated Judiciary:** The Supreme Court is the highest judicial authority for the entire country.
- **4. Emergency Provisions:** The President can declare emergencies, which suspend state autonomy.
- **5. All India Services:** Officers serve both the Union and State Governments.
- **6. Power to Reorganise States:** Parliament can reorganise states without their consent.
- **7. Suspension of State Autonomy:** In certain situations, the Central Government can take control over state functions.
- **8. Financial Dependence:** State Governments are financially dependent on the Central Government.
- **9. Single Citizenship:** Citizens are citizens of India, not of individual states.
- **10. Uniformity in Laws:** Parliament can legislate on state subjects under certain conditions.
- **11. Central Control over State Legislatures:** The President can dissolve state legislatures under certain circumstances.
- **12. Central Control over State Executives:** The Governor acts as the representative of the President in states.
- **13. Central Control over State Finances:** The Finance Commission recommends the distribution of financial resources between the Union and the States.
- **14. Residuary Powers:** Residuary powers belong to Central Government.
- **15. Appointment of Governor:** The President appoints the Governor of each state.
- **16. Change in State Boundaries:** Parliament can change the names, areas and boundaries of states.

Conclusion: India is a federal country with a strong Centre. Its Constitution divides powers between the Union and the States, but several provisions strengthen the Union Government. Therefore, some scholars describe India as quasi-federal.

Note

The term quasi-federalism is commonly associated with the constitutional analysis of India, but the Constitution itself describes India as a "**Union of States**" under Article 1

7. DIVISION OF POWERS (SEVENTH SCHEDULE)

List / Power	Authority	Key Subjects / Scope
Union List	Parliament (Exclusive)	Defence, Foreign Affairs, Banking, Currency, Railways, Atomic Energy, Communications.
State List	State Legislatures	Police, Public Order, Public Health, Sanitation, Agriculture, Irrigation, Fairs.
Concurrent List	Both Center & States	Education, Forests, Marriage/Divorce, Adoption, Trade Unions, Criminal Law. (Union law prevails in conflict under Art. 254).
Residuary Powers	Parliament (Article 248)	Unmentioned / New subjects (e.g., Cyber Law) & taxation on residuary subjects.

IMPORTANT ARTICLES RELATED TO DIVISION OF POWERS

Article	Subject / Scope
Article 245	Extent of laws made by Parliament and State Legislatures
Article 246	Distribution of legislative powers (Seventh Schedule)
Article 248	Residuary legislative powers of Parliament
Article 254	Inconsistency between Union and State laws on Concurrent List subjects
Article 256	Obligations of States and Union's power to give directions
Article 257	Control of the Union over States in certain specified cases

8. REASONS FOR A STRONG UNION GOVERNMENT

The Constitution creates a comparatively strong Union government due to critical historical and practical realities:

- **1. Partition of India:** Communal violence and security threats required a strong central hand to stabilize the nation.
- **2. Integration of Princely States:** Necessary to prevent fragmentation during national integration.
- **3. National Unity & Diversity:** Safeguarding unity amidst linguistic, religious, and regional differences.
- **4. Security and Defence:** External threats require unified strategic decision-making.
- **5. Economic Development & Planning:** Planned industrial growth and reducing regional imbalances required national coordination.
- **6. Social Problems:** Eradicating poverty, inequality, and unemployment needed nation-wide policies.
- **7. Emergency & Administrative Powers:** Emergency provisions (Article 352, 356, 360) allow the Center to protect constitutional order.

9. CENTRE-STATE RELATIONS IN INDIA

A. Legislative Relations

Distribution of law-making authority via 7th Schedule. Parliament can also legislate on State subjects under special constitutional circumstances (e.g., Rajya Sabha resolution, Emergency).

B. Administrative Relations

Execution of laws. Center can issue administrative directions to States (Articles 256 & 257). All India Services (AIS) also unify administrative standards.

C. Financial Relations

Revenue distribution between Union and States. Union collects taxes and shares revenues based on recommendations of the **Finance Commission (Article 280)**, which also advises on grants-in-aid.

10. CAUSES OF TENSION IN CENTRE-STATE RELATIONS

- **Demand for Autonomy:** States seeking more financial/administrative powers.
- **Role of the Governor:** Perceived interference or bias towards the Union.
- **Use of Article 356:** Controversial imposition of President's Rule.
- **Financial Disputes:** Grants-in-aid and tax revenue distribution demands.
- **Political Differences:** Clashes between different ruling parties at Center & State.
- **Linguistic & Regional Demands:** Boundary disputes and recognition issues.
- **Inter-State Disputes:** Conflicts over river water sharing and resources.
- **Unequal Development:** Disparities leading to demand for special status.

DEMAND FOR AUTONOMY

The demand for autonomy means that states want more powers and freedom to make decisions in their own affairs. Some states have demanded greater autonomy to reduce the interference of the Central Government and to obtain more financial powers.

Major Examples:

- **1. West Bengal:** In 1977, the Left Front Government of West Bengal published a document on Centre-State relations. It demanded a restructuring of Centre-State relations and greater autonomy for the states.
- **2. Tamil Nadu:** The DMK government in Tamil Nadu raised the demand for greater state autonomy. It emphasised that states should have more powers and that the Central Government's interference in state affairs should be reduced.
- **3. Punjab:** The Akali Dal in Punjab demanded greater autonomy for states. The Anandpur Sahib Resolution of 1973 sought greater powers for the states and a redefinition of Centre-State relations.
- **4. Demand for Financial Autonomy:** These demands also included giving states greater financial powers and ensuring a fairer distribution of financial resources between the Centre and the states.

- **5. Issue related to Administrative:** Many states expressed dissatisfaction with the increasing administrative control of the central government and demanded greater autonomy.
- **6. Cultural and Linguistic issues:** Opposition to Hindi (Anti Hindi Movement in Tamil Nadu) and Punjab demands to promote punjabi language and culture.

Conclusion: The demand for autonomy aims to strengthen the federal system by giving states greater powers while maintaining the unity and integrity of India.

ROLE OF GOVERNOR

The role of the Governor has often been a source of tension between the Centre and the States.

- **1. Kerala (1959):** The elected Communist Government of Kerala was dismissed by the Central Government under Article 356.
- **2. After 1967:** Several non-Congress State Governments were dismissed by the Centre, raising concerns about the misuse of Article 356.
- **3. Article 356:** It provides for President's Rule when a State Government cannot function according to the Constitution. During President's Rule, the State Government comes under the control of the Centre.
- **4. Role of Governor:** The Governor may recommend President's Rule if the constitutional machinery of the State fails.
- **5. Andhra Pradesh and Jammu & Kashmir:** The dismissal of elected governments during the 1980s created further controversy.
- **6. S. R. Bommai Case (1994):** The Supreme Court ruled that the imposition of President's Rule is subject to judicial review. It also emphasised that a government's majority should ordinarily be tested on the floor of the Legislative Assembly.

These developments strengthened safeguards against the arbitrary dismissal of State Governments.

DEMAND FOR NEW STATES

The demand for new states has been an important source of tension in India's federal system. These demands have mainly arisen due to linguistic identity, cultural differences, regional aspirations and uneven economic development.

In 1953, Andhra State was created after a long demand for a separate Telugu-speaking state. In December 1953, the States Reorganisation Commission was appointed to recommend the reorganisation of states. On its recommendations, states were reorganised in 1956, mainly on a linguistic basis. Maharashtra and Gujarat were formed in 1960, while Punjab and Haryana were separated in 1966. Later, Manipur, Tripura and Meghalaya became states in 1972, followed by Mizoram and Arunachal Pradesh in 1987. **1 November 2000, Chhattisgarh, 9 November 2000, Uttarakhand and 15 November 2000, Jharkhand** were created, and Telangana became a separate state in 2 June 2014.

These demands sometimes create tension between the Central Government and the regions seeking separate statehood. However, creating new states through constitutional procedures can help address regional aspirations and administrative needs.

INTER STATE DISPUTES

Inter-State disputes are an important source of tension in India's federal system. The judiciary acts as an arbitrator in legal disputes, but these disputes also have political implications. Therefore, they can best be resolved through negotiations and mutual understanding.

1. Border Disputes:

- **1. Maharashtra and Karnataka:** Both states have a long-standing dispute over Belgaum (Belagavi).
- **2. Manipur and Nagaland:** These states have a long-standing dispute over their border areas.
- **3. Punjab and Haryana:** The creation of Haryana from the former Punjab led to disputes over border areas and Chandigarh, which serves as the capital of both states.
- **4. Chandigarh Dispute:** In 1985, Prime Minister Rajiv Gandhi reached an understanding with Punjab's leadership that Chandigarh would be transferred to Punjab. However, this transfer has not taken place.

2. River Water Disputes:

- **1. Kaveri Water Dispute:** This is a major dispute between Karnataka and Tamil Nadu. Farmers in both states depend on Kaveri water for irrigation. Despite the existence of a water dispute tribunal, the matter also reached the Supreme Court.
- **2. Narmada Water Dispute:** Gujarat, Madhya Pradesh and Maharashtra have been involved in disputes over the sharing of Narmada river water.

Conclusion: Border disputes are often connected with regional identity, while river water disputes affect drinking water and agriculture. The judiciary helps resolve legal issues, but negotiations and mutual understanding are essential for maintaining cooperation among states.

11. SPECIAL CONSTITUTIONAL PROVISIONS

Article 370 – Special Status of Jammu and Kashmir

- **1947:** Maharaja Hari Singh signed Instrument of Accession (26 Oct 1947) following tribal invasion.
- **1950 & 1957:** Granted special status under Art. 370; J&K adopted its own Constitution in 1957.
- **5-6 Aug 2019:** Constitutional orders rendered special status inoperative (Upheld by Supreme Court in Dec 2023).
- **31 Oct 2019:** Reorganised into two Union Territories: Jammu & Kashmir, and Ladakh.
- A national emergency cannot be imposed in Jammu and Kashmir without the consent of the state government, not even on the grounds of internal disturbance.
- The Directive Principles of State Policy did not apply to Jammu and Kashmir in the same manner as they did to other states.
- Article 368 (constitutional amendment) did not automatically apply to Jammu and Kashmir in every case.

Articles 371 to 371J – Special Provisions for States

Article	State(s)	Major Provisions
371	Maharashtra & Gujarat	Regional development boards and equitable development funds.
371A	Nagaland	Protection for Naga customs, customary law, and land rights.
371B	Assam	Committee of elected members representing specified tribal areas.
371C	Manipur	Special administration arrangements for hill areas.
371D/E	Andhra Pradesh & Telangana	Equal opportunities in education/employment; Central University.
371F	Sikkim	Protection of historical circumstances and rights of population.
371G	Mizoram	Protection for Mizo customs, customary laws, and land rights.
371H	Arunachal Pradesh	Special responsibility of Governor regarding law and order.
371I	Goa	Legislative Assembly with at least 30 members.
371J	Karnataka	Development, education & employment in Kalyana Karnataka.

Importance: These provisions reduce regional inequalities, protect distinct local cultures, promote balanced growth, and strengthen asymmetric federalism in India.

12. MEASURES TO IMPROVE CENTRE-STATE RELATIONS

- **Cooperative Federalism:** Center and States working as partners rather than adversaries.
- **Inter-State Council (Article 263):** Active utilization for consultation and resolving common issues.
- **Role of Governor:** Impartial and non-partisan functioning of constitutional heads.
- **Judicial Restraints on Art. 356:** Adherence to the *S. R. Bommai case* guidelines to prevent arbitrary President's Rule.
- **Fair Fiscal Allocation:** Transparent tax sharing via the Finance Commission.
- **Negotiated Dispute Settlement:** Institutional dialogue for inter-state river water and boundary conflicts.

13. COMPARATIVE CASE STUDIES: GLOBAL FEDERALISM

West Indies (Collapsed Federation)

Formed: 1958 | **Dissolved:** 1962

- Weak central government with limited authority and resources.
- Territorial rivalries and financial disagreements over costs.
- Lack of agreement and consensus among constituent island units.

Nigeria (Diverse & Challenged)

Independence: 1960 (Amalgamated 1914)

- Major groups: Hausa-Fulani (North), Yoruba (South-West), Igbo (South-East).
- Challenges: Military interventions, ethnic rivalries, oil revenue sharing disputes.
- Lesson: Needs fair power-sharing & democratic governance.

14. COMPARISON: WEST INDIES VS. NIGERIA

Basis	West Indies	Nigeria
Main Issue	Disagreements among member territories	Ethnic, regional, political and economic differences
Federal Challenge	Weak federal authority & lack of consensus	Competition for political power and resources
Economic Concerns	Disputes over financial costs/benefits	Disputes over oil revenue distribution
Political Problem	Inability to reach lasting agreement	Political competition & periods of military rule
Outcome	Federation collapsed in 1962	Federal system continued under adapted structures
Main Lesson	Requires strong institutional agreement	Requires fair power-sharing & accommodation of diversity

15. MAJOR COMMISSIONS, COMMITTEES & INSTITUTIONS

Efforts and bodies introduced to improve Centre-State relations:

Commission / Institution	Year	Key Recommendations / Contribution
Administrative Reforms Commission	1966	Emphasised administrative coordination and efficiency between Center & States.
Rajamannar Committee	1969	Recommended greater State autonomy and limits on Central interference.
Sarkaria Commission	1983	Promoted cooperative federalism, limited use of Art. 356, CM consultation on Governor appointments.
Inter-State Council	1990	Constitutional forum (Art. 263) for dialogue, coordination, and dispute resolution.
NCRWC	2000	Suggested strengthening constitutional institutions and Centre-State coordination.
Punchhi Commission	2007	Re-examined Governor's role, Art. 356, fiscal relations, and internal security.
Zonal Councils	1956	Promote inter-State cooperation on economic, social, and regional matters.
Finance Commission	Art. 280	Recommends tax revenue distribution and grants-in-aid to States.
GST Council	2016	Joint forum for Center & States to discuss GST taxation and rates (Art. 279A).
NITI Aayog	2015	Promotes cooperative and competitive federalism in policy formulation.
73rd & 74th Amendments	1992	Constitutional status to Panchayati Raj & Urban Local Bodies.

16. CONSTITUTIONAL FRAMEWORK FOR CENTRE-STATE RELATIONS

Articles	Subject	Significance
Articles 245–255	Legislative Relations	Distribution of law-making powers between Parliament and States.
Articles 256–263	Administrative Relations	Administrative coordination, directions, and Inter-State Council.
Articles 268–281	Financial Relations	Distribution of taxes, revenues, and Finance Commission (Art. 280).
Article 279A	GST Council	Coordination on Goods and Services Tax matters.
Article 356	President's Rule	Emergency powers in case of constitutional failure in a State.

17. IMPORTANT CONSTITUTIONAL ARTICLES MASTER LIST

Article	Constitutional Provision / Subject
Article 1	India, that is Bharat, shall be a Union of States
Article 2 & 3	Admission, establishment, and reorganisation of States
Article 245–246	Extent and distribution of legislative powers (Seventh Schedule)
Article 248	Residuary legislative powers of Parliament
Article 254	Precedence of Union laws on Concurrent List subjects
Article 256 & 257	Obligations of States and Union directions
Article 263	Establishment of Inter-State Council
Article 279A	Goods and Services Tax (GST) Council
Article 280	Finance Commission recommendations
Article 312	All India Services (AIS)
Article 352, 356, 360	National, State (President's Rule), and Financial Emergencies
Article 368	Amendment procedure requiring State ratification
Articles 371–371J	Special provisions for specific States (Asymmetric Federalism)

18. QUICK REVISION SUMMARY

1. **Federalism:** Power division between central & regional levels.
2. **Coming Together:** Independent units join voluntarily (USA).
3. **Holding Together:** Large nation divides power internally (India).
4. **Article 1:** India is an indestructible Union of States.
5. **7th Schedule:** Union, State, and Concurrent Lists.
6. **Residuary Powers:** Vested in Union (Article 248).
7. **Article 370:** J&K special status rendered inoperative in 2019.
8. **Articles 371-371J:** Special provisions for regional development.
9. **Sarkaria & Punchhi:** Key commissions on Centre-State relations.
10. **Inter-State Council:** Art. 263 body for dispute resolution.
11. **Finance Commission:** Art. 280 tax revenue distributor.
12. **GST Council:** Art. 279A fiscal cooperation body.
13. **Article 356:** President's Rule (Regulated by Bommai judgment).
14. **West Indies:** Example of failed federation (Dissolved 1962).
15. **Nigeria:** Diverse federal model facing ethnic/resource issues.
16. **Cooperative Federalism:** Partnership between Center & States.
17. **NITI Aayog:** Promotes cooperative and competitive federalism.
18. **Local Bodies:** 73rd/74th Amendments strengthened local government.

Conclusion: The primary objective of these commissions, institutions, and constitutional provisions is to respect State autonomy, ensure fair distribution of financial resources, resolve disputes through dialogue, and strengthen cooperative federalism in India.