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FEDERALISM AND CENTRE–STATE RELATIONS IN INDIA: EMERGING CHALLENGES TO CONSTITUTIONAL DEMOCRACY

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Abstract

India's Constitution created a federation with a strong centre, designed to hold together a vast and diverse country while giving its states real authority over large areas of governance. For seven decades the balance between the Union and the states has shifted with changes in party politics, judicial interpretation and economic policy. This study examines the constitutional design of Centre–State relations, traces its evolution through four broad phases, and analyses the emerging challenges that now test the federal balance and, through it, constitutional democracy itself. Using a doctrinal and analytical method based on constitutional provisions, judicial decisions, reports of official commissions and scholarly literature, the study assesses Centre–State relations in four domains: legislative, administrative, fiscal and political. The analysis identifies seven areas of strain: the role of Governors in the formation of governments and in assent to state bills; the growing share of cesses and surcharges outside the divisible pool and disputes over the Goods and Services Tax and state borrowing; the use of central investigative agencies against opposition-ruled states; central legislation in areas of state concern; the reorganisation of Jammu and Kashmir and the control of services in Delhi; the weakening of intergovernmental institutions such as the Inter-State Council; and debates over delimitation and simultaneous elections. The study argues that these tensions matter beyond administration because federalism in India is a basic feature of the Constitution and a guarantee of pluralism, accountability and the dispersal of power. It concludes with proposals to restore cooperative federalism through institutional dialogue, fiscal transparency, clear conventions for Governors and stronger judicial protection of state autonomy.

Keywords: federalism; Centre–State relations; Governor; fiscal federalism; GST Council; cooperative federalism; constitutional democracy

1. Introduction

Federalism is one of the defining features of India's constitutional order. The Constitution describes India as a "Union of States", divides legislative, executive and financial powers between the Union and the states, and protects that division through an independent judiciary. Yet the Indian federation was deliberately designed with a strong centre. The framers, writing in the shadow of Partition and facing the task of integrating more than five hundred princely states, gave the Union wide powers to legislate in the national interest, to reorganise states, to direct state executives in certain matters and to assume control of a state in an emergency. Scholars have accordingly described the Indian system as "quasi-federal" (Wheare, 1963), as a "holding together" federation (Stepan, 1999) and as a cooperative federation in which the Union and the states depend on each other (Austin, 1966).

The working of this design has changed considerably over time. During the first two decades, when the Indian National Congress governed at the Centre and in most states, disputes between the two levels were resolved largely within the party. The rise of regional and opposition parties from 1967 onwards brought open conflict, frequent use of President's

Rule and demands for greater state autonomy. The coalition era that began in 1989, together with the Supreme Court's decision in S. R. Bommai v. Union of India (1994), shifted the balance towards the states. Since 2014, the return of single-party majority governments at the Centre has been accompanied by new forms of centralisation as well as new institutions of shared rule, most notably the Goods and Services Tax (GST) Council.

In recent years, Centre–State relations have become a subject of open contention. Governors in several states have delayed assent to bills passed by elected legislatures, states have taken the Union to the Supreme Court over borrowing limits, drought relief and the use of central agencies, and debates over the GST, delimitation and simultaneous elections have raised questions about the future shape of the federation. These developments matter not only for administrative efficiency but for constitutional democracy, because federalism disperses power, allows diverse communities to govern themselves and provides a check against the concentration of authority. The central question of this study is therefore how far the emerging challenges in Centre–State relations threaten the federal balance envisaged by the Constitution, and what reforms could restore it. The study pursues four objectives:

1. To explain the constitutional framework of Centre–State relations in its legislative, administrative, financial and emergency dimensions.
2. To trace the evolution of Centre–State relations and the role of commissions and courts in shaping it.
3. To analyse the major contemporary challenges in Centre–State relations and their implications for constitutional democracy.
4. To propose institutional and constitutional measures for a more balanced and cooperative federation.

2. Conceptual Framework

2.1 Meaning and forms of federalism

In its classic formulation, federalism is a system in which powers are divided between general and regional governments, each of which is independent within its own sphere (Wheare, 1963). Later theorists emphasised the combination of "self-rule" and "shared rule": constituent units govern themselves in some matters while participating jointly in the governance of the whole (Elazar, 1987). Riker (1964) viewed federations as bargains between national and regional political elites, whose stability depends on the party system. Stepan (1999) distinguished "coming together" federations, formed by the union of previously sovereign units, from "holding together" federations, created by a central government to accommodate diversity within an existing state. India belongs clearly to the second category, which explains both its strong centre and its willingness to create new states and asymmetric arrangements to accommodate linguistic, ethnic and regional identities (Arora & Verney, 1995; Tillin, 2007).

2.2 Cooperative, competitive and confrontational federalism

Three models describe the relationship between levels of government in practice:

- **Cooperative federalism** stresses partnership, joint decision-making and mutual dependence between the Union and the states. Austin (1966) saw the Indian Constitution as an instrument of cooperative federalism, and the GST Council is often presented as its most advanced institutional form.
- **Competitive federalism** encourages states to compete with one another for investment and performance, and with the Union for policy innovation. It has been promoted since economic liberalisation and through performance-linked transfers and state rankings (Rao & Singh, 2005).

- **Confrontational federalism** describes a pattern in which the Union and the states treat each other as political adversaries, using constitutional offices, agencies and litigation to advance partisan goals. Several recent developments discussed below fit this pattern.

2.3 Asymmetric federalism

Indian federalism is also asymmetric. Not all units have the same powers or relationship with the Union. Special provisions under Article 371 and its sub-clauses apply to several states, including Maharashtra, Gujarat, Nagaland, Mizoram, Manipur and Sikkim; the Fifth and Sixth Schedules provide distinct arrangements for tribal areas; and Union Territories, some with legislatures and some without, are administered directly by the Union through Lieutenant Governors or Administrators. Asymmetry has been one of the main ways in which India has accommodated linguistic, ethnic and regional demands without secession (Tillin, 2007). It also creates vulnerability, because arrangements that depend on central legislation can be altered by the Union, as the reorganisation of Jammu and Kashmir in 2019 demonstrated.

2.4 Federalism and constitutional democracy

Federalism and democracy are closely connected. Federal arrangements create multiple centres of power, allow citizens to hold different governments accountable for different functions, protect regional and cultural minorities, and permit policy experimentation. In India, the Supreme Court has recognised federalism as part of the basic structure of the Constitution, which Parliament cannot destroy even by constitutional amendment (S. R. Bommai v. Union of India, 1994). A weakening of the federal balance can therefore erode democratic pluralism and accountability, while a working federation strengthens them (Stepan, 1999; Tillin, 2019).

3. Review of Literature

The literature on Indian federalism has moved from constitutional description to the analysis of political and fiscal dynamics. Austin (1966, 1999) traced the framers' choice of a strong but cooperative federation and the strains it faced, including the misuse of emergency powers. Arora and Verney (1995) placed India in comparative perspective and emphasised the accommodation of multiple identities within a single state, while Tillin (2007) showed how asymmetric arrangements allowed the federation to absorb regional demands. Stepan (1999) used India as a principal example of a "holding together" federation that is democratic precisely because it is federal.

A second body of work focuses on fiscal relations. Rao and Singh (2005) analysed how fiscal institutions, transfers and bargaining shape outcomes across states, and documented the persistence of vertical and horizontal imbalances. A third strand links federalism to the party system: Chhibber and Kollman (2004) showed that the centralisation of authority affects whether national or regional parties prevail, which helps explain the rise of regional parties in India after the 1980s.

Recent scholarship has examined the period after 2014. Sharma and Swenden (2018) argued that the formal rhetoric of cooperative and competitive federalism has coexisted with stronger central control over policy and politics. Aiyar and Tillin (2020) identified a project of centralisation linked to a vision of national unity, expressed through the GST, centrally sponsored schemes and the use of central institutions. Tillin (2019) and the contributors to Choudhry et al. (2016) provide comprehensive accounts of the constitutional and political foundations of the federation. What remains less developed is an integrated assessment of the newest sources of strain, including disputes over Governors' assent, state borrowing, central agencies and Union Territories, and their combined implications for constitutional democracy. The present study seeks to address this gap.

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4. Research Methodology

The study adopts a doctrinal and analytical method appropriate to research in political science and constitutional studies. It relies on secondary and documentary sources: the text of the Constitution of India and its amendments; decisions of the Supreme Court; reports of the Administrative Reforms Commission, the Sarkaria Commission, the Punchhi Commission and successive Finance Commissions; official documents of the Union and state governments; and scholarly books and journal articles on Indian federalism. Centre–State relations are analysed in four domains: legislative, administrative, fiscal and political. Within each domain, the study identifies the constitutional position, the pattern of practice and the points of contention. The analysis is qualitative and interpretive, and its findings are limited by the availability of public documents on intergovernmental negotiations, many of which take place informally.

5. Constitutional Design of Centre–State Relations

5.1 Legislative relations

Part XI of the Constitution and the Seventh Schedule divide legislative power into three lists: the Union List, the State List and the Concurrent List. The Union has exclusive power over subjects such as defence, foreign affairs, banking and inter-state trade; the states have exclusive power over public order, police, public health, agriculture, land and local government; and both may legislate on Concurrent List subjects such as criminal law, education, forests and labour, with Union law prevailing in case of conflict (Article 254). Residuary power rests with Parliament (Article 248). Parliament may also legislate on State List subjects in specified circumstances:

- when the Rajya Sabha declares by a two-thirds majority that it is necessary in the national interest (Article 249);
- during a proclamation of emergency (Article 250);
- when two or more states request it by resolution (Article 252); and
- to implement international treaties and agreements (Article 253).

In addition, the Governor may reserve certain state bills for the consideration of the President (Article 200), and the President may assent to or withhold assent from such bills (Article 201). The combined effect of these provisions is a legislative structure tilted towards the Union, though the State List still covers many of the subjects that matter most to citizens' daily lives.

5.2 Administrative relations

The executive power of each state must be exercised so as to ensure compliance with Union laws (Article 256) and so as not to impede the executive power of the Union (Article 257). The Union may give directions to states in these matters, and failure to comply may be treated as a breakdown of constitutional machinery (Article 365). All-India Services, whose officers serve the states but are recruited and controlled by the Union, form a further administrative link. Article 263 provides for an Inter-State Council to investigate and advise on disputes and subjects of common interest, and Zonal Councils created under the States Reorganisation Act, 1956 provide regional forums for coordination.

5.3 Financial relations

The Constitution assigns the more elastic taxes to the Union and many of the expenditure responsibilities to the states, creating a vertical fiscal imbalance. This imbalance is corrected through the Finance Commission, constituted every five years under Article 280 to recommend the share of states in the divisible pool of central taxes and its distribution among states, together with grants-in-aid under Article 275. Further transfers occur through centrally sponsored

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schemes and discretionary grants under Article 282. The Constitution (One Hundred and First Amendment) Act, 2016 introduced the GST, giving both the Union and the states concurrent power to tax goods and services (Article 246A) and creating the GST Council (Article 279A), in which the Union holds one-third of the votes and the states together two-thirds, with decisions requiring a three-fourths majority.

5.4 Emergency provisions

The emergency provisions give the Union its most extensive powers. A national emergency under Article 352 allows Parliament to legislate on any subject and the Union to direct states in any matter. Under Article 356, the President may assume the functions of a state government if satisfied, on the report of the Governor or otherwise, that the government of the state cannot be carried on in accordance with the Constitution. A financial emergency under Article 360 permits the Union to direct states on financial matters. Article 356 in particular has been the most controversial provision in the history of Indian federalism. It has been invoked more than a hundred times since 1950, often to remove state governments led by parties in opposition at the Centre, although its use declined markedly after the Bommai judgment.

6. Evolution of Centre–State Relations

The practice of Centre–State relations can be divided into four broad phases:

1. **One-party dominance (1950–1967).** With the Congress in power at the Centre and in most states, intergovernmental bargaining took place within the party. The Planning Commission, a non-statutory body, became a powerful instrument of central direction over state development. The reorganisation of states on linguistic lines in 1956 was the major federal accommodation of this period.
2. **Conflict and centralisation (1967–1989).** After 1967, non-Congress governments came to power in several states, and conflicts over resources, Governors and President's Rule became frequent. Article 356 was used repeatedly to dismiss opposition governments, especially in 1977 and 1980 (Austin, 1999). State demands for autonomy were expressed in the Rajamannar Committee report (1969) in Tamil Nadu and the Anandpur Sahib Resolution (1973) in Punjab.
3. **Coalition era and federal rebalancing (1989–2014).** Regional parties became partners in national coalitions, giving states a stronger voice in national policy. The Inter-State Council was established in 1990, the Bommai judgment (1994) restricted the misuse of Article 356 (Choudhry et al., 2016), and economic liberalisation increased the autonomy of states in attracting investment (Rao & Singh, 2005).
4. **Renewed central dominance with new shared institutions (2014 onwards).** Single-party majorities at the Centre revived centralising tendencies. At the same time, the Planning Commission was replaced by the NITI Aayog in 2015, the Fourteenth Finance Commission raised the states' share of the divisible pool from 32 to 42 per cent, and the GST Council was created as a joint forum. Scholars have described this period as combining the rhetoric of cooperative federalism with growing concentration of power (Sharma & Swenden, 2018; Aiyar & Tillin, 2020).

Successive commissions have examined Centre–State relations and made recommendations that remain largely relevant (Government of India, 1988; Government of India, 2010). Table 1 summarises the most important of them.

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Table 1. Major commissions and committees on Centre–State relations

Commission / Committee	Year of report	Principal recommendations
Administrative Reforms Commission (Study Team on Centre–State Relations)	1969	Establish an Inter-State Council; appoint non-partisan persons of experience as Governors; use Article 356 only as a last resort
Rajamannar Committee (appointed by Tamil Nadu)	1971	Transfer subjects from Union and Concurrent Lists to states; repeal Articles 356 and 357; give states greater financial resources
Sarkaria Commission	1988	Use Article 356 sparingly and after warning; consult Chief Ministers on appointment of Governors; set up a permanent Inter-State Council; consult states on Concurrent List legislation
National Commission to Review the Working of the Constitution	2002	Retain Article 356 with safeguards; fixed procedure for assent to bills; strengthen intergovernmental institutions
Punchhi Commission	2010	Fixed tenure for Governors and removal only by procedure; time limit for decisions on reserved bills; localised emergency provisions; strengthen the Inter-State Council

7. Judicial Safeguards of Federalism

The Supreme Court has been the principal guardian of the federal balance. Its decisions have both restrained central power and, in some cases, upheld it. Table 2 lists the decisions most relevant to contemporary Centre–State relations.

Table 2. Major judicial decisions on Centre–State relations

Case	Year	Principle laid down
Kesavananda Bharati v. State of Kerala	1973	Parliament cannot alter the basic structure of the Constitution, later held to include federalism
S. R. Bommai v. Union of India	1994	Federalism is a basic feature; proclamations under Article 356 are subject to judicial review; majority must be tested on the floor of the House
Rameshwar Prasad v. Union of India	2006	Dissolution of the Bihar Assembly on the Governor's report held unconstitutional; Governor's report must rest on relevant material
Nabam Rebia v. Deputy Speaker, Arunachal Pradesh	2016	Governor's discretion is limited; he must act on the advice of the Council of Ministers in legislative matters
Government of NCT of Delhi v. Union of India	2018 and 2023	Elected government of Delhi has executive power over services, except public order, police and land; principle of accountability of officials to elected government
Union of India v. Mohit Minerals	2022	GST Council recommendations have persuasive, not binding, value; Parliament and state legislatures have simultaneous power to legislate on GST
State of Punjab v. Principal Secretary to the Governor of Punjab	2023	Governor cannot sit indefinitely on a bill; if assent is withheld, the bill must be returned to the legislature for reconsideration
In re Article 370 of the Constitution	2023	Upheld the abrogation of Article 370 and the special status of Jammu and Kashmir; directed early restoration of statehood and elections

These decisions show that the judiciary has developed important limits on the misuse of constitutional offices and emergency powers. At the same time, the decision on Article 370 upheld a major exercise of central power in reorganising a state into Union Territories, and in Delhi Parliament responded to the 2023 judgment by enacting the Government of National Capital Territory of Delhi (Amendment) Act, 2023, which restored the Union's effective

control over services. Judicial protection of federalism thus depends heavily on the willingness of the political branches to accept its spirit.

8. Emerging Challenges in Centre–State Relations

8.1 The office of the Governor

The Governor, appointed by the President on the advice of the Union government and holding office during the President's pleasure, is the constitutional link between the Union and the states. The Sarkaria and Punchhi Commissions both recommended that Governors be non-partisan persons, chosen in consultation with Chief Ministers. In practice, Governors have frequently been drawn from the ruling party at the Centre. Three kinds of disputes have become prominent in recent years:

- **Government formation.** In states with fractured mandates, Governors' decisions on whom to invite to form the government, and on the timing of floor tests, have repeatedly been challenged in court.
- **Assent to bills.** Governors in several opposition-ruled states delayed decisions on bills passed by legislatures for long periods, including bills on university administration. The Supreme Court's decision in the Punjab case (2023) held that a Governor cannot keep a bill pending indefinitely.
- **University and administrative roles.** Disputes over the Governor's role as Chancellor of state universities led several states to legislate to remove Governors from that position.

- These disputes turn an office intended to be a neutral constitutional head into a site of political contest, and they allow an unelected authority to delay the decisions of elected legislatures.

8.2 Fiscal federalism under strain

Fiscal relations have become one of the most contested areas. Although the Fourteenth Finance Commission raised the states' share of the divisible pool to 42 per cent and the Fifteenth Finance Commission set it at 41 per cent after the creation of Jammu and Kashmir and Ladakh as Union Territories, the effective share of states in total central tax revenue is lower, because cesses and surcharges are not part of the divisible pool and their share in gross central revenue has grown. Several other issues add to the strain:

- **GST and loss of fiscal autonomy.** By pooling most indirect taxes, the GST reduced the independent taxing power of states. The guaranteed compensation for revenue loss ended in June 2022, leaving several states concerned about their revenue base.
- **Borrowing limits.** The Union's inclusion of borrowings by state public-sector entities within state borrowing limits led Kerala to file an original suit under Article 131 in the Supreme Court, which in 2024 referred the questions involved to a Constitution Bench.
- **Centrally sponsored schemes.** Conditional transfers and matching requirements limit states' freedom to set their own priorities, and the branding of schemes has become a matter of political dispute.
- **Disaster relief and grants.** Disputes over the release of disaster-relief funds, such as Karnataka's petition seeking drought assistance in 2024, have reached the Supreme Court.

Questions of horizontal distribution have also become sensitive. Because Finance Commissions give weight to population and income distance, more developed states, many of them in the south, argue that they are penalised for successful population control and economic growth, while poorer states depend heavily on transfers (Rao & Singh, 2005). These questions are likely to intensify with each new Finance Commission.

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8.3 Central investigative agencies

Policing and public order are state subjects, but central agencies such as the Central Bureau of Investigation (CBI), the Enforcement Directorate and the National Investigation Agency operate across the country. The CBI requires the consent of a state government to investigate within its territory under Section 6 of the Delhi Special Police Establishment Act, 1946, and several states have withdrawn their general consent. The Enforcement Directorate, acting under the Prevention of Money Laundering Act, 2002, is not subject to a similar requirement. Opposition-ruled states have alleged that these agencies are used selectively against their leaders. In 2024, the Supreme Court held that West Bengal's suit challenging CBI investigations after the withdrawal of consent was maintainable. Whatever the merits of individual cases, the perception of selective use undermines trust between governments and blurs the line between law enforcement and political competition.

8.4 Legislation in areas of state concern

Parliament has increasingly legislated in areas that touch on state subjects, often through the use of Union or Concurrent List entries. The three farm laws of 2020, enacted under the entry on trade and commerce despite agriculture being a State List subject, were opposed by several states and by a prolonged farmers' movement, and were repealed in 2021. Similar concerns have been raised about central legislation and policy in education, cooperatives, electricity and police reform. The underlying issue is consultation: the Sarkaria Commission recommended that states be consulted before Parliament legislates on Concurrent List subjects, but no formal mechanism ensures this.

8.5 Union Territories and asymmetric arrangements

Two developments have raised basic questions about the status of states and territories. In August 2019, the special status of Jammu and Kashmir under Article 370 was ended and the state was reorganised into two Union Territories, a step taken while the state was under President's Rule and without a legislature. The Supreme Court upheld the abrogation in December 2023 but directed that statehood be restored at the earliest. In Delhi, the long dispute over control of services between the elected government and the Lieutenant Governor was settled in favour of the elected government by the Supreme Court in 2023, only for Parliament to restore central control through legislation the same year. Both cases show that asymmetric arrangements, which have historically helped India accommodate diversity (Tillin, 2007), can also be reversed by the Union.

8.6 Weakening of intergovernmental institutions

Effective federations depend on regular institutions of intergovernmental dialogue. In India, the Inter-State Council, established in 1990 on the Sarkaria Commission's recommendation, has met only rarely, and its last meeting was held in 2016. The NITI Aayog, which replaced the Planning Commission in 2015, was intended to promote cooperative federalism through its Governing Council of Chief Ministers, but it lacks the power over transfers that gave the Planning Commission its influence, and several Chief Ministers have boycotted its meetings. The GST Council is the most active forum of shared rule, but disputes over its voting structure and compensation have tested it as well. In the absence of strong institutions, disputes increasingly move to courts and to public confrontation.

8.7 Delimitation, language and simultaneous elections

Several issues on the political horizon could reshape the federation. The freeze on the reallocation of Lok Sabha seats among states, extended by the Constitution (Eighty-fourth Amendment) Act, 2001 until the first census after 2026, will eventually end. A reallocation based on current population would increase the representation of northern states

with high population growth and reduce that of southern states, raising fears of a shift in the political balance. Language policy, including the place of Hindi in education and administration, remains sensitive in non-Hindi-speaking states. The proposal for simultaneous elections to the Lok Sabha and state assemblies, recommended by a high-level committee in 2024 (Government of India, 2024) and followed by constitutional amendment bills introduced in Parliament in December 2024, has raised concerns that it may curtail the terms of state assemblies and subordinate state politics to national campaigns.

8.8 Crisis governance and the federal balance

Crises reveal the working of a federation with particular clarity. During the COVID-19 pandemic, the Union relied on the Disaster Management Act, 2005 and the Epidemic Diseases Act, 1897 to impose a nationwide lockdown in March 2020 at very short notice, although public health is a State List subject and states bore most of the burden of implementation. Subsequent phases saw greater delegation to states in deciding containment measures, but disputes arose over the procurement and pricing of vaccines, the allocation of oxygen and medical supplies and the sharing of fiscal costs, before the Union centralised vaccine procurement in June 2021. The experience showed both the value of central coordination in a national emergency and the costs of decisions taken without consulting the governments that must implement them. It reinforced the case for permanent forums in which the Union and the states plan jointly for emergencies rather than negotiating in the middle of a crisis.

9. Implications for Constitutional Democracy

The challenges outlined above are not merely administrative frictions. They affect the quality of constitutional democracy in at least four ways:

- **Accountability.** When an unelected Governor delays legislation or when central officials control services in an elected territory, citizens cannot easily hold their elected government responsible for outcomes.
- **Pluralism.** Federalism allows regions with different languages, cultures and political preferences to govern themselves. Excessive centralisation risks treating diversity as a problem rather than as a source of democratic strength (Arora & Verney, 1995).
- **Dispersal of power.** Strong states provide a check on the concentration of power at the Centre, an important safeguard when a single party dominates national politics (Stepan, 1999; Aiyar & Tillin, 2020).
- **Rule of law and trust.** The perception that constitutional offices, agencies and financial transfers are used for partisan purposes erodes trust in institutions and encourages confrontation rather than negotiation.

At the same time, the Indian federation has shown considerable resilience. States continue to win elections against the party in power at the Centre, courts have intervened to restrain misuse of power, and the GST Council has shown that joint decision-making is possible. The party system is central to this resilience. Comparative research shows that the degree of centralisation in a federation shapes, and is shaped by, the structure of party competition (Chhibber & Kollman, 2004). The persistence of strong regional parties and of competitive state elections in India continues to give states an independent political base, even when a single party dominates at the national level. The challenge is to convert this resilience into stable institutions and conventions rather than relying on periodic litigation and political mobilisation (Tillin, 2019).

10. Suggestions for Strengthening Federalism

Drawing on the recommendations of official commissions and the analysis above, the following measures could restore a more balanced and cooperative federation:

1. **Reform of the Governor's office.** Governors should be appointed in consultation with the Chief Minister, given a fixed tenure, and required to decide on bills within a fixed period, as recommended by the Punchhi Commission (2010).
2. **Revival of the Inter-State Council.** The Council should meet regularly, have a permanent secretariat and be consulted on legislation in Concurrent List subjects and on major policy affecting states.
3. **Fiscal transparency.** The share of cesses and surcharges in central revenue should be limited or brought partly into the divisible pool, and centrally sponsored schemes should be rationalised to give states more untied resources.
4. **Strengthening the GST Council.** A dispute-resolution mechanism, as provided in Article 279A, should be established, and the Council should work by consensus on matters affecting state revenue.
5. **Rules for central agencies.** Clear statutory guidelines on the jurisdiction of central agencies in states, and on coordination with state police, would reduce allegations of selective use.
6. **Consultation on major reforms.** Changes such as delimitation and simultaneous elections should be preceded by wide consultation with states and should protect the representation and autonomy of all regions.
7. **Judicial protection.** Courts should decide federal disputes under Article 131 and on the conduct of constitutional authorities within reasonable time, so that delay does not itself decide the outcome.

11. Conclusion

India's federation was designed to combine national unity with regional self-government, and for most of its history it has managed this balance through a changing mix of central direction, political bargaining and judicial intervention. The present period is marked by a renewed concentration of power at the Centre, visible in disputes over Governors, fiscal transfers, central agencies, legislation on state subjects and the status of Jammu and Kashmir and Delhi, alongside the weakening of institutions of intergovernmental dialogue. These developments matter because federalism is part of the basic structure of the Constitution and an essential safeguard of democratic pluralism and accountability. The analysis also shows that the federation retains important strengths: competitive state politics, an active judiciary and a functioning institution of shared rule in the GST Council. The future of Indian federalism will depend on whether these strengths are consolidated through institutional reform and constitutional conventions that respect the autonomy of states, or whether Centre–State relations continue to be shaped by confrontation. A federation in which the Union and the states treat each other as partners, as the framers intended, remains the surest foundation for India's constitutional democracy.

Limitations and future research. The study relies on documentary sources and does not examine intergovernmental negotiations that take place informally. Future research could undertake comparative studies of individual states, quantitative analysis of fiscal transfers over time, and empirical study of how citizens perceive the division of responsibility between the Union and the states.

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