



Shifting Dynamics: Federalism and Democracy in India post-2014

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Abstract:

The article analyses how India's federalism and democracy have changed after 2014, highlighting development and challenges. The relationship between Federalism and Democracy has changed significantly after the rise of the Bharatiya Janata Party (BJP), headed by Prime Minister Narendra Modi. This study analyses how India's Federalism has changed and impacted democracy and how state-level response and centralised governance have shaped democratic norms and intergovernmental interactions. The study delves into significant developments, challenges, and outcomes for Indian democracy post-2014.

Keywords: Federalism, Democracy, Centre-state relation, BJP, Decentralisation, Governance

Introduction:

After World War II, nations worldwide embraced a democratic form of government after realising how important equality was in fostering peaceful cohabitation, which was absent under a monarchical system. The concept of "democracy" is broad enough to include various ideas, such as federalism, judicial activism, civic engagement, freedom of expression, and the rule of law. India is a democratic nation, according to the preamble of the Indian Constitution. Since then, there has been a discussion on whether India's Democracy actually meets all of the prerequisites for democracy or if it is merely a vision. Federalism is one of the principles of democracy, and because they are intrinsically compatible, they cooperate to further a shared goal.

Federalism is based on the division of powers, which holds that each state and central government have spheres of influence and no one government has absolute authority. The effect is that the federal government abandons control over the states. Although the Indian constitution is viewed as federal and democratic, the present scenario is that its federal nature is under scrutiny. Since it forms the foundation of Indian democracy, the judiciary has ruled that the constitution of India is federal and cannot be altered.

In a democracy, citizens are granted increased authority, which they can use directly (Direct Democracy) or through representatives (Representative Democracy), who are chosen through a fair electoral process. Singh (2005), in his article, argues that Federalism and democracy do not require an extensive analysis of all their nuances. Based on an analysis of how various constitutions function, it can be concluded that democracy may succeed both in federal and unitary governments, but Federalism cannot succeed without democracy. European unitary constitutions and governments, including France and England, have mature democracies. However, there is no example of the federal government, past or present, without

democracy. A political structure known as Federalism encourages the separation of powers between the union and state governments. A Federal government is founded on two guiding ideas: the separation of powers and checks and balances. According to these principles, the legislative, executive, and judicial branches of government are each given distinct powers, and no one may interfere with the other's ability to execute and carry out their responsibilities.

For the first time since 1984, a single party gained a majority in Lok Sabha in the 2014 parliamentary elections. The dynamics of centre-state relations in India have changed due to the Bharatiya Janata Party's election win. In India, the relationship between federalism and democracy has come under attention. Bharatiya Janata Party pledged in its election manifesto "to 'place centre-state relations on an even keel,' strive for harmonious centre-state relations." The country's shifting political situation also affects how democracy and federalism are mutually reinforced.

India's Federal Structure: A Constitutional Framework

Before the Constitution was adopted, the words "federal" and "union" were extensively discussed in the Constituent Assembly. The Drafting Committee, led by Dr Ambedkar, and the Union Constitution Committee, headed by former Prime Minister Jawaharlal Nehru, resumed their discussion. Finally, Ambedkar's recommendation added "union" to the Indian Constitution. He said that because the Federal Constitution may represent regional and national purposes, the "Union of States" implies a federal constitution based on a dual polity. It also strives to consider several provinces' unique ambitions, sovereign interests and ethnic and linguistic diversity. The political system of India is partially federal and purely unitary. The ideals and ambitions of the people, which are different in sociocultural, economics, and politics, are supported by this. Indian federalism is a 'holding together federalism' rather than a 'coming together federalism' (like in the USA). In this context, Rekha Saxena (2011) has stated that each society or nation chooses a model that suits its perspective and needs. She also emphasised whether a federation should be executive-dominated, parliament-centred, or judiciary-driven depending on its society, culture, history, geography, etc.

Federalism in India is adequately established in the Indian Constitution through several mechanisms, although not explicitly acknowledged in the document. The Indian Constitution is fundamentally a federal structure, and it is distinguished by the traditional elements of a federal system, such as the supremacy of the constitution, the division of powers between the Union and the state governments, the presence of an independent judiciary, and a rigorous procedure for amending the constitution. It creates a dual political system with clearly defined areas of jurisdiction for the Union and the states to use in the spheres of responsibility given to them. There is an independent judiciary to resolve disputes between the Union and the States or between one state and another. The main goals of Federalism are decentralisation and power sharing between the union government and the states and local governments. However, the 73rd and 74th constitutional amendments further introduced a new level of governance called Panchayats and Municipalities. Therefore, we have three tiers of government in India, a revolutionary kind of Federalism unheard of in other nations. As a result, we may conclude

that Indian Federalism is distinct and offers a potential answer to several issues. According to K.C. Wheare, the founder of modern federal ideas, Federalism is “the method of dividing power so that general and regional governments are each within a sphere co-ordinate and independent.” He described the Indian Constitution as having a quasi-federal structure, or a “federation sui generis” (a federation of a particular sort). Centre-state relations in a federal democracy are crucial to politics because they tell us about the dual nature of having power split between the Centre and the States. The State and the Centre are seen as superior in their spheres. Indian constitutional text refers to the nation as a “Union of States.” The Centre and the State are expected to uphold harmony and balance on a larger scale, an idealistic vision of Indian federalism. As a result, the Indian Constitution has multiple provisions that regulate Centre-State Relations on various levels. Centre-state relations are covered in Part XI of the Indian Constitution. It is separated into connections for legislative and administrative purposes. Provisions governing financial relationships are also included in Part XII.

The legislative relationship between the Union and the states, especially between the Parliament and state legislatures, is covered in Articles 245-255. It examines the extent of the legislative authority held by the Union and the states. Examining the clauses, it becomes clear that the Parliament has supreme jurisdiction over state legislatures.

The many clauses specify a variety of topics, including the effects of inconsistencies between state and national law, the residuary powers of the Parliament, and others. Schedule VII covers the Union List, State List, and Concurrent List.

Articles 256-263 cover administrative relationships between the Central Government and several state governments. Despite its federal structure, India has unitary features. As a result, Article 256 mandates that state governments uphold the laws established by Parliament and prevent them from performing any executive or administrative duties that conflict with those laws.

The Sarkaria Commission promoted cooperative federalism in its recommendations for bettering administrative ties between the Centre and the States. The same was necessary since various parties involved in administration at the federal and state levels typically cause discord and mistrust, which results in ineffective management.

Part XII of the Constitution, Articles 264-293, covers the financial relationship between the Centre and the state. India is a federal state. Therefore, it upholds the principle of the separation of powers regarding taxes, and the Centre must distribute money to the States.

This article covers all such related provisions. Schedule VII outlines the capacity of the federal government and the states to levy taxes. Additionally, it contains several rules governing the collection and distribution of taxes by the federal government and the states, grants to the states, surcharges, and other issues.

These are challenging standards to uphold in an undemocratic society. To avoid the tyranny of majorities and preserve some measure of minority self-rule, conventional conceptions of federalism saw it as providing crucial safeguards for democracy. However, it is not always clear how federalism affects democracy. The fact that federal institutions exist in a

variety of forms and dimensions is one explanation for this. The evolution of India's party system over time has significantly impacted the practical interaction between the Centre and the states. Therefore, rather than being static, interactions between federalism and democracy must be viewed as dynamic.

Evolving Federal Relations:

Interactions between centre and state-level political actors have significantly changed India's federalism. As highlighted by Kumar Ghosh (2022), in his article, outlines that the evolution of Indian federalism can be divided into four distinct phases: One-party Federalism (1952-1967), Expressive Federalism (1967-1989), Multi-party Federalism (1989-2014), and return of the Dominant Party Federalism (2014 to present). In the first phase, the Congress party maintained uncontested political dominance at the Centre and the states. This phase witnessed the Congress party's substantial influence and robust support of macropoliticals, fostering a consensual model of "inner-party federalism." However, this approach faced significant challenges from regional demands and opposition in non-Hindi-speaking states, challenging attempts at a centralised and homogenous model of nation-building. The second phase marked the turning point as the Congress party lost power in several states, ushering in an era characterised by "expressive" and confrontational federal dynamics between the Congress-led Central government and the opposition parties-led state governments. Under Indira Gandhi's leadership, especially following the party split in 1969, which diminished the autonomy of regional leaders and organisational structures. The third phase, the "multi-party federalism" period, established conditions for regionalising national politics. Influential regional parties and leaders emerged during this period, asserting their significance in coalition governments and transforming the national political landscape. This evolution is essential for understanding India's complex and diverse federal structure. Liberalising the Indian economy and the 73rd and 74th Amendments Act in 1992 strengthened the grassroots level, creating opportunities for genuine federalism through enhanced Centre-State interactions and negotiations. In the current phase, the BJP party has resurgence to the dominant party federalism, securing a solid parliamentary majority in the 2014 and 2019 Lok Sabha elections. However, this dominance has not gone unchallenged; regional parties have challenged the BJP's inroads in state elections, with some significant federal discords between the Centre and Opposition-ruled states. India's federal system is distinguished by its dedication to democratic ideals and balanced regional diversity. This framework facilitates decentralised governance and encourages political participation at all levels. Despite providing a forum for decentralised government and political engagement, this federal structure had drawbacks, particularly the occasional conflicts between the central and state governments. These dynamics are essential in shaping the evolving relationship between federalism and democracy in India, highlighting the need for ongoing dialogue and cooperation for a more cohesive and inclusive political landscape.

Relationship between Federalism and Democracy in India after 2014:

The political landscape of our country has consistently been dominated by central power. Subsequent union governments have overstepped their authority to interfere with state government functions. The 2014 general elections, which brought the Bharatiya Janata Party (BJP) led by Narendra Modi to power, have been marked by several developments that have impacted the relationship between federalism and democracy in the country. While India's federal system was designed to accommodate its vast diversity, the post-2014 period has witnessed shifts in the balance of power between the central government and states.

After 2014, Indian federalism will likely become significantly more centralised for several reasons. Restoring one-party domination without requiring regional or state-based parties to support the majority in parliament increases the case for political centralisation. In his article, Mehta (2019) argues that the Modi-led BJP government has displayed tendencies towards centralising power, potentially undermining federalism and democratic principles. Prime Minister Narendra Modi, known for his centralising governance in Gujarat, is expected to follow similar power-concentrating strategies in Indian state governance.

Since the general elections in 2014, the involvement of the centre in directing candidate nomination and campaigning in various assembly elections has been a clear example of this centralisation. Chief Ministerial candidates should be disclosed earlier, and election campaigns frequently focus on the prime minister. However, there are indications of political "centring" on these fronts: Attempts to use the President's Rule for party political gain, The unilateral nature of significant decisions that have an impact on centre-state relations, such as demonetisation in 2016, The intention to hold general and state elections at the same time, Formation of NITI Ayog, COVID-19 Pandemic.

Use of President's Rule: The BJP has continued to dismiss state governors appointed by previous central governments with different political persuasions. Governors play a potentially important role during the President's Rule, as they can recommend it if they believe a breakdown of the constitutional machinery occurs in the governance of the state. Ajay Kumar Singh (2018) has argued that in the post-2014 context, India is entering a phase of 'national federalism' in which the 'locus of sovereignty [shifts] from state capitals to the national capital where choices are rarely politically negotiated, but rather decided through the compulsiveness of techno-bureaucrats and the monopoly of resources by the centre.' The BJP has tried to use the President's Rule twice for party political purposes. The party advocated for the President's Rule to be imposed on the governments of Arunachal Pradesh and Uttarakhand in 2016. The Supreme Court in Arunachal Pradesh questioned the rationale for calling a state assembly sitting earlier than scheduled, giving the ruling Congress party little time to prove its majority on the floor. In Uttarakhand, the Supreme Court invalidated the federal government's ability to impose the President's Rule before the state assembly had held a floor test. This has raised concerns about the central government's intentions and impact on federalism. President's Rule is often seen as a suspension of the democratic process in a state. Elected representatives lose their authority, and the state assembly is usually dissolved. This undermines the democratic

rights of the people of the state, as they lose their elected representatives and the ability to participate in the governance of their state.

Demonetisation: In terms of policy, the forced withdrawal of 500 and 1,000 rupee notes as legal tender and their replacement with new 1,000 and 2000 rupee notes in 2016's demonetisation of the Indian rupee was an example of unilateral decision-making. This centralised approach bypassed state governments and their role in currency distribution, temporarily reducing their authority. Without prior consultation with state governments, despite its severe impact on their activities. This choice instantly affected the economy, reduced state government revenue, and went against both cooperative federalism and democratic principles. As political analyst Yogendra Yadav(2017) points out, "The executive decided to demonetise without democratic deliberation. It bypassed the legislature and the states, undermining the very fabric of a democratic republic". The opposite claim is that demonetisation was intended to shock people and cause them immediate and temporary hardship to provide long-term benefits, including eradicating black money. The sudden withdrawal of high-denomination currency notes significantly impacted the daily lives of citizens, especially those who relied on cash transactions for their livelihoods. Long queues at banks and ATMs disrupted normal economic activities and led to public inconveniences. However, several observers have concluded that the action was intended to eliminate political competitors rather than to conceal illegal funds. As scholar S. Gopalakrishnan(2017) observes, "The central government's handling of demonetisation has reflected the growing dominance of national-level politics over regional concerns, further undermining the autonomy of state governments. The move to centralised power in the hands of the central government sidelined the role of state governments and disrupted the democratic process by bypassing public consultation and legislative debate. Furthermore, the policy's uneven impact across different states exacerbated regional disparities and undermined federal principles.

"One Nation, One Election": The BJP government's preference for holding national and state elections simultaneously indicates its desire for centralised power. The government's think tank, NITI Aayog, expanded on the concept presented in the BJP's general election platform in a working paper. In its 170th report on the Reform of Electoral Laws (1999), the Law Commission of India said in its 255th report, "Simultaneous elections will ensure greater stability in governance and reduce the financial burden of repeated elections." General and state assembly elections took place at the same time up until 1967. In 1971, Indira Gandhi interrupted this pattern by moving the national election date forward by a year to establish her control over the party and her political viability compared to several former state party leaders who had defected. The current government contends that simultaneous elections are preferable because the "Model Code of Conduct by the Election Commission" currently mandates that when an election is called (for the state assembly or general), the majority of development programs in the state (including welfare projects and capital projects) must be suspended until after the election. The other argument favouring simultaneity centres on the capacity to minimise organisational and campaign expenses and the costs associated with maintaining

election security. As political scientist, Pratap Bhanu Mehta (2018) observes, “One of the dangers of simultaneous elections is that it reduces the space for regional parties and local issues, which could erode the pluralistic nature of Indian democracy.” One Nation, One Election could centralise power further, as national issues and personalities tend to dominate the narrative during national elections. State-specific concerns might receive less attention, and state governments may feel compelled to align their priorities with those of the central government to gain electoral advantage. Scholar M. S. A. Rao (2005) suggests that ONOE may “deprive the regional parties of their unique space in the political system and centralise control in the hands of a few major national parties.” Federalism and democracy would both be weakened by such a move. In addition, opponents claim that imposing simultaneous elections is anti-democratic since it is unfair to try to impose an arbitrary election schedule and restrict voters’ options. Simultaneous elections are seen to be detrimental to regional parties since voters are more inclined to favour one side over the other in these situations. This favours the leading party in the centre. Politicians are held more responsible when they reach out to the public more frequently than once every five years.

Establishment of NITI Aayog: Narendra Modi announced a plan to abolish the Nehru-instituted Planning Commission in 2014 because he thought it had overly centralised authority. The National Institution for Transforming India Commission (NITI Aayog), which aims to unite states for the country’s benefit and promote cooperative Federalism, took place in 2015. The NITI Aayog, sometimes known as “Team India,” is in charge of redefining the relationship between the federal government and the states. The Centrally Sponsored Schemes (CSS) should be reduced from 72 to 30, and priority and non-priority schemes should be clearly distinguished, according to a panel of chief ministers. Modi also adopted the 14th Finance Commission’s suggestions to enhance state governments’ financial standing to raise their portion of the distributable tax base. The BJP fulfilled its commitment to establish regional councils for states with the same problems during the 2014 campaign. Still, most decentralisation pledges have yet to be carried entirely through, resulting in increased centralisation. Intentionally decentralising policies carried out by the Modi government starting in 2015 drew criticism. First, the NITI Aayog became a weaker organisation with limited expertise and authority over resource allocation, giving the Ministry of Finance more control. Second, implementing the Goods and Services Tax in 2016 reduced the financial independence of states by centralising government finances. Sales and indirect taxes were replaced by the GST Council, a Council headed by just two-thirds of the vote. Many states opposed the change, which the Centre portrayed as an expression of its commitment to federalism because decisions in the GST Council can only be taken with 75% of the votes, giving New Delhi veto power. A “silent fiscal crisis,” as described by economist Rathin Roy, has been imminent due to the union’s poor financial management. Consistent income shortages (which amounted to 0.7% GDP in FY2019–20) and missed disinvestment goals were the cause of this disaster. Indian federalism is an outcome of diverse languages and social and economic differences, which

foreign companies investing in India should consider. Instead of India, foreign companies frequently set up operations in Gujarat, Maharashtra, or Tamil Nadu. One-third of FDIs are split among Maharashtra, Delhi, Karnataka, Tamil Nadu, Gujarat, and Andhra Pradesh, with the remaining one-fourth going to about twenty states. These discrepancies are related to local governance, infrastructure, human resource quality, and public policy. New Delhi has ranked Indian states based on the World Bank's "Ease of Doing Business," with Andhra Pradesh, Telangana, Haryana, Jharkhand, and Gujarat as the top five states in 2018. This ranking differs from foreign investor preferences due to factors like industrialisation.

COVID-19: India's management of the COVID-19 outbreak has been marked by unilateralism and lack of coordination. The Epidemic Act (1897), which issued travel recommendations, controlled air and port traffic, and managed surveillance and quarantine systems, was initially in effect when the first wave of the pandemic struck in 2020. Then, without consulting or making plans with the pertinent central ministries or the state Chief Ministers, the Modi administration declared one of the toughest lockdowns in history. As Saxena (2021) and Sahoo and Ghosh have stated, according to the Indian constitution, while the union (centre) regulates interstate quarantine and interstate Movement, the states primarily maintain public health in India. However, social security, social insurance, employment, unemployment, and "the prevention of the extension from one state to another of infectious or contagious diseases or pests affecting men [sic], animals, or plants" are concurrent subjects. The states are responsible for public health and sanitation, hospitals, and dispensaries. Both levels can function in these places where they coexist, but the centres take the lead in disputes between centres and states.

The COVID-19 pandemic has altered the balance of its federal structure, enabling the central government to enact extensive changes in areas previously thought to be under the jurisdiction of the states. This action by the federal government shows that it is prepared to benefit from a global crisis and utilise its levers of federal authority to enact essential reforms. The constitutional structure of India's federalism needs to be more relevant to the actual relationship between India's national and state governments. Their autonomy was restored after lockdown instances, although the Indian states nowadays have less functional power than the central government. There was a significant drop in revenue for state governments since the national lockdown necessitated stopping nearly all economic activity. Their financial dependency on the centre has grown due to the lockdown. The finance minister of India announced several measures in May 2020 to help India's post-lockdown economy recover. Many policies impact state government autonomy, and policymakers adopted most of them because of the unusual conditions of the pandemic. A conditional rise in the state borrowing limit is one such measure. The most recent changes utterly destroyed the long-standing agricultural marketing system, which hindered the development of a more effective agrarian marketing system and monopolised agricultural commerce among states. Central government ordinances undermine the authority of the states in this regard. The centre has used the epidemic

to solve long-standing governance difficulties in several Indian states, as seen by the hike in borrowing restrictions and agricultural reforms. The Indian Constitution establishes the realms of authority between the centre and the states, yet some policy areas are shared. The Centre frequently enjoys a decision-making advantage over the states in these areas. This issue has been an ongoing factor of conflict between the states.

CONCLUSION:

The period following the 2014 general elections in India has witnessed a complex interplay between federalism and democracy. While federalism remains a fundamental feature of India's constitutional framework, the balance between state autonomy and power centralisation has been debated. One of the defining features of post-2014 India has been the centralisation of power. This centralisation is manifested in various aspects, including policy formulation and decision-making. Cooperative federalism efforts aim to address common challenges collaboratively, but challenges persist. Disparities in resource allocation and decision-making authority can lead to tensions, challenging the spirit of cooperation. States often grapple with questions of fiscal autonomy and their roles in shaping policies that directly impact their constituents. These conflicts underscore the delicate balance between federalism and democracy. While states are essential in representing regional interests and ensuring diversity in governance, the central government plays a crucial role in maintaining the unity and integrity of the nation. Maintaining the delicate equilibrium between federalism and democracy is a vital challenge for India's democratic governance, ensuring that diverse voices and regional interests are represented and democratic norms are upheld. The path forward lies in addressing these challenges while preserving the principles of federalism and democracy that underpin India's unique political landscape.

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