

Chapter – III

REVIEWING THE FEDERAL EXPERIENCE IN INDIA PRIOR 1977

3. Introduction:

In the context of ethno-regional diversity India has always been a federal country. Moreover the eventful socio-political changes has been keeping this constitutional device as fluid as possible. Indian federalism is an indigenous in nature. It is not possible to make any comparison with the federal structure of any other countries in the world. It has its own features of unity in diversity which gradually enhance with the requirements of the time and purpose of the country exclusively. India deals with the world largest multicultural federation. It was observed that linguistic reorganization of the country made its federation as an ethno federal in character. The working of federal system in India was going through in different phases in the country with an experience of arena of different political parties. Federal India has been started its journey in an environment of “one- party dominance”. After the enactment of the constitution of India 1950, the leaders of nation organized themselves under the congress party with their centralized agenda. Consequently the country was going through a phase of Congress majoritarianism where the decentralize thrust of plural society may undermine. The authoritarian federalism was ruled over the consensual federalism in particular. The notion of state’s right was hampered by the strong centre. However, the centralized design of Indian constitution maker for the purpose of accommodating country’s diversity would not be successful to a long extent. Gradually the gravitation of central power was segmented towards the region since 1960’s. Henceforth I want to discuss the role of some crucial commissions like Sarkaria Commission, National Commission to Review the working of the Constitution, Punchhi Commission on the one hand and some landmark judicial decisions in the cases like S.R.Bommai vs Union of India, Rameshwar Prasad vs. Union of India, B.P.Singhal vs Union of India in the period of excessive central domination during Indira regime (1980) after the coalition era 1977. More over some major events like Neo International Economic Order, Constitutional recognition of Local Self Government e.t.c were discussed here for understanding the age of more federalization since 1990’s.

It has been observed that the regional parties of India have started to contravene the Congress rule since 1960’s which resulted the formations of several non-Congress Governments at the state level (1967) and the non-Congress Government at the centre in 1977. But on the contrary the regional aggressiveness was controlled by the Congress politics

of personalization in 1980's. Hence practically the regional strength has captured the political process of the country since 1990's when the Congress dynasty got diluted and a vacuum was created at the national level politics on the basis of single winning inability of the national political parties. Finally it has been observed that the general election 1989 has proved the regional potential at the national level politics in particular (Wyatt, 1999). Gradually the “Nehruvian secular ideology” has been replaced by the “Hindu Nationalism” for the purpose of nation building by the rising leadership of Bharatiya Janata Party (Malik & Singh, 1992). More over the nineteenth century has been seen as the transitional period when the ethnicity has played a dominant role in the electoral politics of the country.

3.1. Coalition at the centre, 1977

It has been observed that, since 1977, the operation of federal political system in India was going through some ups and down. The first and for most landmark changes in Indian politics during these period, brought about by the severe debacle of the Congress in the sixth General election, under the leadership of Indira Gandhi. When the non- congress government at the first time launched its journey to run the ministry of New Delhi, under the guidance of Janata Government led by the conglomeration of different political parties. It was generally believed that, a paradigm shift due to linguistic state's formation as well as apparent abolition of one party dominance and growth of the regional political parties on the basis of zeal for ethno-regional identities transformed the Unitary political System in to a federal one (Kashyap2007).The following table has been shown the victory of multiparty system for the first time at the centre.

Table 3.1

PERFORMANCE OF NATIONAL POLITICAL PARTIES VIA-A-VIS THE OTHER
POLITICAL PARTIES: GENERAL ELECTION, 1977

Party	Candidates Contested	Won	FD	% Won	FD	Valid Votes	Votes %
BLD	405	295	05	72.84	1.23	78062828	41.32
CPI	91	07	68	7.69	74.73	5322088	2.82
CPM	53	22	09	41.51	16.98	8113659	4.29
INC	492	154	18	31.30	3.66	65211589	34.52
NCO	19	03	00	15.79	0.00	3252217	1.72
National Parties:	1060	481	100	45.38	9.43	159962381	84.67
State Parties:	85	49	06	57.65	7.06	16623230	8.80
Registered(unrecognized)Parties	70	03	60	4.29	85.71	1938276	1.03
Independents:	1224	09	1190	0.74	97.22	10393617	5.50
Total:	2439	542	1356	22.22	55.60	188917504	

Source: Election Commission of India – General Election, 1977 (6thLok Sabha) eci.gov.in

Though the federal structure of the country was remain same in general because, the attitude of the Janata government was not so liberal towards the States ruled by the opposition. More over the issues regarding the states autonomy was again disdained by the Janata Government, in several points. Hence forth the tendency of Centralization on the one hand and the assertion of state autonomy on the other hand go side by side in Indian political platform. But besides the dismissal of the State's governments ruled by the Congress, the over whelming of Centre State relationship in Janata phase was quite sedate. The power of the President to declare emergency was confined particularly at that time. This was justifying the formation of Janata Government as a reaction against emergency regime of congress (I).But the inefficient governability as well as split in the party in 1979, was responsible for the decline of the Janata Government as they failed to run the govt. of coalition in long run. In continuance with this the Congress victory in general election1980, makes the way for the returns of Mrs. Gandhi to hold the power and rule the country once again.

It has been observed that, “after the 1977 Lok Sabha and Assembly elections... on behalf of the Left Front Government of West Bengal, Jyoti Basu, the Chief Minister, has demanded wider powers and greater autonomy for the constituent States of the Indian nation, and has appealed to all democratic forces in the country to initiate and carry on a national debate on the subject in the interest of a more satisfactory Working of the federal principle which had been, in his opinion, steadily eroded during the last three decades. He has been

joined by the Chief Ministers of some other States, including Jammu & Kashmir, Tripura, Karnataka, Tamil Nadu and Gujarat. There is a demand that the entire Constitution be rewritten, so that it could restore and even augment the political, economic and financial autonomy of the States". According to Ashok Mitra, "the West Bengal Finance Minister, federal financial relations have become highly distorted, and there has been erosion of states' powers arising out of their excessive financial dependence on the Centre" (Ray, 1978). The demand was raised regarding the 'imbalance' in Indian federal constitution and "rectified at an early stage through appropriate constitutional amendments...." (The Hindustan Times, New Delhi, July 8, 1977)

3.2. Excessive Central dominance during 1980's

However the returned of congress (I) led massive effects on the state's legislatures. After returned to the power Mrs. Gandhi dissolved nine state legislatures led by the opposition parties, which were Uttar Pradesh, Madhya Pradesh, Bihar, Rajasthan, Punjab, Gujarat, Maharashtra, Orissa and Tamil Nadu by using article 356 and she was very harsh on this matter of dissolution. This was strongly criticized in the different parts of the country. "Madhu Dandavate thought it wrong to compare these dissolutions with those of 1977, when the legislature's terms were nearly over." On the other hand "A Times of India editorial said that the dissolutions were necessary to enforce discipline after the 'drift' of the Past three years." (Austin 1999) Henceforth, The Congress (I) Win over two-thirds majority in five of nine state legislative assemblies and a majority in three.

To make the country strong and united as well as integrated in general and to restore the law and order of the Country in particular Mrs. Gandhi was urged for a powerful Central government against the 'policy of destabilization' inspired by the external forces, during this time. It was noticed that, Pakistan was acted as an enzyme for spreading violence in Jammu and Kashmir, Punjab as well as in North-East. This situation compelled Mrs. Gandhi to take the decision of dissolution of Several States and bring them under the Control of a strong central government, which runs in according to the direction of Mrs. Gandhi. Hence forth the Politics of personalization came back in the place of politics of Pluralism. During 1980's the working of Indian federalism went with the system of confrontation rather than consensus. When the Congress (I) returned to the power in majority of states, their decision regarding transfer of few "items from State sale tax to additional excise duty" made their character 'un-constitutional' for "encroachment in to State autonomy". Again the enactment of the Disturbed Area Amendment Bill and the intention of Congress (I) to bring it

under the concurrent list have been strongly criticized and opposed by the dissident States for curbing the power of the state governments regarding the maintenance of law and order. (Ray, 1982).

Consequently, another landmark case of Supreme Court in *Minerva Mills v. Union of India*, 1980 the Supreme Court of India retained the principal of Basic Structure of the Constitution advocated in the case of *Kesavananda Bharati vs. State of Kerala*, 1973 and which was violated through the 42nd Constitutional Amendment Act 1976. But it was observed that the judgment of the Court in *Minerva Mills* case in 1980 is still invoked.

It was observed that during 1980's then was an assertion for regional identity as well as secessionist movement's has been spreaded out all over the India. The crisis of Assam has been started with the problem of illegal immigration in the state, later which was transformed in to a regional movement. Eventually the split in Congress party in 1977 had its impact on the Political Parties in Assam. This divided the Assam politics in to "Pro-Indira and Anti-Indira factions". After the Pakistan Civil war, in 1979 there was a demand Started for "expulsion of illegal migrants". In 1983, the election of state legislative assembly in Assam was going through a much worsened phase. In 1985, during the phase of Rajiv Gandhi an accord was signed between central government of India and leaders of Assam movement on the basis of "deletion of alleged illegal migrants from the electoral rolls." and after that the rule of the Asom Gana Parishad (A.G.P.) was established in Assam by the election of 1985. (Brass, 1994)

As we know that there was a battle between India and Pakistan about the accession of Kashmir, but the Kashmir had occupied Central role in Indian Politics. Under the Special Status in according to the Article 370, Kashmir had been given a regional autonomy after Independence. But the interventionist role of Central government of India over the autonomous State of Kashmir had helped to fuel the fire. The people of Jammu and Kashmir was very much annoyed about the maintenance of the Special status of their state as well as the subordinate relationship with the Central Government and the internal ethno-regional Conflicts. In the post- Nehruvian Period, there was an accord Signed by Indira Gandhi and Sheikh Abdullah, the Kashmir's accession to India was finally accepted by the National Conference and the article 370 was kept up by the government of India (1982-1984). But during the phase of Farooq Abdullah, the relationship between National conference and Indian National Congress was declined. In 1986, President Rule was imposed in Kashmir. During the phase of Rajiv Gandhi, there was a tendency from both the side to restore the

relationship between Kashmir and India by signing accord in 1987. However both the partner won the State legislative assembly jointly. But eventually, the Jammu and Kashmir Liberation Front, declared a revolt against the state of India for the purpose of establishment of an Independent Secular Kashmir State. (Brass, 1994)

In 1980's, Punjab was grasped by the separatist movements, which posed a serious threat to the unity of India. After the victory of the Congress in Punjab, the Akali Dal has adopted Anandpur Sahib Resolution for the purpose of greater autonomy and minimizing the Central interference in different State's affairs like foreign affairs, defense etc. But during Indira regime it was rejected by the Central government as identified the resolution as a Separatist tendency. But again in 1982, Bhindranwale had a voice for 'Anandpur Sahib Resolution' for protecting the interest of Sikh community and he launched Sikh militancy in Punjab. After the dissolution of Punjab state legislative assembly, by the Prime Minister Indira Gandhi, Hindu-Sikh riot was resuming with a new color. A new turmoil was created by Akali Dal against article 25 of the Indian constitution on "freedom of Religion." Where, the Sikh community was treated as Hindus for enjoying the 'Right to Freedom of Religion'. Government of India shows there unwillingness to settled these matter and after that a Series of assassinations of Hindus in Punjab compelled the central government to take operation Blue Star to remove Bhindranwale and his followers on the Golden Temple in Amritsar (Austin, 1999).

It has been observed that, in 1983, Chief Ministers of Several major States ruled by the oppositions were dissatisfied regarding the fulfillment of the programme's adopted by the Congress (I) in different corners. Frequent impositions of president rule, minimizing the powers of the Court by the transfer of the judges, matter of interference of Parliament on the several issues even on the basic structure and with these procedure tried to hampering the federal essence of the country was invaded loudly. Consequently the burning situations of Punjab, Jammu and Kashmir and Assam for over central interference or some time central negligence's had demanded the reformation of Centre-State relations immediately. It has been observed that during eighties, Chief Ministers of non-congress states and opposition leaders formed coalition conclaves at various places like Calcutta, Bangalore and New Delhi not only demonstrating centre's negligence of state's development programmes and eroding of states autonomy but insisting upon a need to review the centre-state relationship. On March 20 1982, the four Chief Ministers viz. R. K. Hegde of Janata Party in Karnataka, M. G. Ramachandran of AIADMK in Tamilnadu, N. T. Rama Rao of Telugu Desam in Andhra

Pradesh resolved to form a Council for the Southern Region to restructure centre-state relations ensuring a more equitable distribution of resources (Times of India, New Delhi, March 1983 (Gaan, 1991).

The erstwhile Janata Government in Karnataka, in its memorandum to the Sarkaria Commission, stressed this issue, the real cause for autonomy rests not on the claims of territorial rights of juridical entities or political parties but on the comprehension, based on experience that in a country like India a centralized polity is incapable of dealing with an unjust social order that is inimical to the democratic political process, and that is inherently unstable. (Memorandum submitted by the Karnataka Government, Report, n. 13, p. 245-246.) (Shastri,1990)

In its memorandum to the Sarkaria Commission, the party (D.M.K) asserted that regionalism should not be labeled as something anti-national. Regionalism and sub-regionalism, it believed, were recognized by the constitution. It further added: “Wholesome freedom alone can keep India together and strengthen her from within and without ... the Union and the states, must have complete freedom from mutual control ... This freedom is the soul of federalism”.(Shastri,1990)

The Shiromani Akali Dal, through the Sri Anandpur Sahib Resolution (1973) and other declarations has frequently endorsed the principle of state autonomy in keeping with federal principles. It has appealed to the Central Government on several occasions, “to:... take cognizance of the different linguistic and cultural sections ... and recast the Constitutional structure of the country on real and meaningful federal principles to obviate the possibility of any danger to National unity ... and further enable the States to play a useful role for the progress and prosperity of Indian people ...” (Memorandum submitted by the Shiromani Akali Dal Report n. 13, p. 859.) (Shastri,1990).

The Government of West Bengal that wanted restructuring of the constitutional provisions in regard to the respective obligations of the Union and the States. To the Government of Karnataka Union-State relations was one aspect of the wider subject of decentralization. Bihar and Rajasthan governments demanded strengthening the financial resources of the states. It was alleged that the device of Finance Commission to ensure impartial devolution of resources from the Union of the States has suffered under bulk transfers made for the Plan and other purposes (Saraswathi, 1989).

Eventually, the electoral downfall of Congress in Andhra Pradesh and Karnataka led to the appointment of Sarkaria Commission under the Chairmanship of Justice Ranjit Singh Sarkaria to look into the matter of Central-State relationship. (Austin, 1999) In 1984, after several criticism made against the Punjab events by all over the world, Mrs. Gandhi Said in the Parliament that, “We have..... to remove the cause for grievances..... the battle for Secularism, the battle for Unity.....must be (won) in the hearts and minds of our people.” (Austin, 1999) It has been observed that just few months after this operation blue star, Indira Gandhi was assassinated by her two Sikh body guards, which led to an anti-Sikh riots in the country where a great number of Sikhs were killed.

3.3 Sarkaria Commission: Central quest for undermining the regional powers

Though, it was observed that the motive behind the establishment of the Saikaria Commission was to suppress the power of regional political parties raised by the various States leaders. However to restore the gap between Centre and State as well as to establish the Unity and fraternity in all over the country was seen as a major challenge for the commission. In 1983, after the meeting of Vijayawada, regarding the purpose of Saikaria Commission, there was another meeting was called in Srinagar against the domination Unitary features over the federal features in the Constitution. The demand mainly focused on removal of imposition of President Rules, Contain the Central power over the State lists as well as the inclusion of residuary power on the state authority particularly not in the Centre. The major emphasis is given on the creation of Inter- State Council under Article 263 in the Constitution in India (Austin, 1999). In 1987, The Sarkaria Commission submitted its report to the Government of India. It was Seen that the recommendation of Sarkaria Commission were Cover major areas of Centre and State relations and tried to show a path for a legitimate style of government in a federal set-up of the Country. The report Contained near about 247 recommend actions.

3.4. Review the Recommendations of the Sarkaria Commission:

It was said that, “there has been nothing to suggest that Indira Gandhi's motivation in setting up the Sarkaria Commission on Centre-State relations was anything more than to deflect the debate on the issue. In January-- 1984, the Commission has made its first public move in issuing a questionnaire. The questionnaire itself is a bit of a rag-bag consisting of 109 questions arranged in seven sections: introductory, legislative relations, the Governor, administrative relations, financial relations, economic and social planning, and a final section

under the title of 'miscellaneous' covering industries, trade, agriculture, food, education and inter-government co-ordination” (EPW, 1984).

The drafting and arrangement of the questions were highly criticized. “Firstly, there are a number of questions, which although worded in the interrogative form, are, overlaid with rhetoric and opinion”. There is an examples of such questions Like, “(1.6) Do you agree that the protection of the independence and ensurance of the unity and integrity of the country is of paramount importance?”; “(4.4) The Constitution-makers with remarkable foresight anticipated the arising of situations "in which the government of a State cannot be carried on in accordance with the provisions Of the Constitution" and provided ex necessities in Article 356... (1.1) Can our Constitution be called Federal in the strict sense?” “(5.1) After a review of the working of the mechanisms for devolution and examination of details of resources transferred by the Union to the States during the last 34 years. Can it be said that the scheme of devolution envisaged by-the Constitution-makers has worked well and come up to their expectations?” The questionnaire thus confirms the Commission's confession that its drafting has not been preceded by an "analytical study" of Centre-State issues. (EPW, 1984)

However, it has been observed that, Sarkaria Commission's recommendations are primarily based on the premise that the existing constitutional principles and arrangements are sound and what is needed is to build a mechanism to ensure a system of collective decision (consultations). It was not concerned with the 'politics' of Centre-State relations but only with the 'administration'. (Saraswathi, 1989)

However some Centre centric views of Sarkaria Commission are as followed:

Legislative Relation

“A number of State Governments and political parties insist that the requirement of consultation should be incorporated in the Constitution to ensure its strict observance regarding the enforcement of Union Laws, particularly those relating to the Concurrent sphere...”

“2.14.03: We are of the view that it is not necessary to make the Union-state consultation regarding legislation on an item in the Concurrent list a constitutional requirement. This will make the process needlessly rigid. But this should be a firm convention. The advantage of a convention or rule of practice is that it preserves the flexibility of the system and enables it to meet the challenge of an extreme urgency or an unforeseen contingency. We recommended that this convention as to consultation with the

State Governments individually, as well as collectively, should be strictly adhered to, except in rare and exceptional cases of extreme urgency or emergency.”

Administrative Relation

“The demand for deletion or ‘drastic’ amendment of these provisions (Articles 256&257) mainly rests on the theoretical premise that the provisions of Articles 256 and 257 are repugnant to the federal principle”. The argument is that “in a ‘federal policy’ there is no place for provisions which confer powers on the Union to give direction to the States”. “It can be said that in the Constitution of older federation, there is no provision conferring on a Federal Government the power ...executive directions to the States”.

“3.5.27: In the light of (The decisions in Jay Engineering Works vs. State of West Bengal, AIR 1968 Calcutta 407 and Deputy Accountant General vs. State of Kerala, AIR 1976 Kerala 158) the conclusion is inescapable that Articles 256 and 257 which give power to the Union Executive to issue directions to the State, are vital for ensuring proper and harmonious functioning of Union-State relations in accordance with the Constitution. They do not derogate from the federal principle, rather give effect to it. They provide a technique for ensuring effective inter- governmental cooperation and maintaining the Rule of Law which are the fundamental values enshrined in our Constitution”.

It has been suggested by the State Governments that “clause (2) of Article 258 gives unqualified powers to Parliament to enact a law conferring powers and imposing duties on a State or its officers/authorities, notwithstanding that the law relates to a matter with respect to which the state has no legislative competence. The only valid objection to such statutory delegation of powers and imposition of duties could be that it may result in extra financial burden on the state exchequer”.

“3.7.10: Federalism is more a functional arrangement for cooperative action, than a static institutional concept. Article 258 provides a tool, by the liberal use of which, co-operative federalism can be substantially realized in the working of the system. We, therefore recommended a more extensive and generous use of this tool...”

All India Services

So far as the questions rose by the different State Governments, by some experiences of shortcomings regarding All India Services like “(i) Whether the All India Services have

fulfilled the expectations of the Constitution makers and (ii) Whether the State Governments should have greater control over them”.

“8.7.05: We too are of the view that the existing system of All India Services is unique as well as the most appropriate method of securing the best available talent ...”

“8.7.09: Any move to disband the All India Services , under some mistaken notion e.g. that they have outlived their utility or that they cause dysfunction, or to permit a State Government to opt out of the scheme must be regarded as retrograde and harmful to the larger interest of the country. Such a step is sure to encourage parochial tendencies and undermine the integrity, cohesion, efficiency and coordination in administration of the country as a whole”.

Financial Relation

“It has been suggested by a State Government that the power to levy the duties mentioned in Article 268 may be transferred to the States and for that purpose entries 84 and 91 may be transposed to the state list and corresponding changes made in the provisions of Article 268. It is argued that these duties do not form part of inter-state transactions ‘to any large extent’ ”. “ Article 269 refers to taxes levied and collected by the Union but assigned to the States....some State Governments have pointed out that the Union Government has not raised adequate revenues from these heads of taxation. They have suggested that the relevant Entries (especially Entries 87, 88, 89 and 90 of the Union List) may be transferred to the State List”.

“10.11.01: The Union Government should in consultation with the State governments periodically consider and explore the revision or imposition of these duties covered by Article 268”.

“10.11.22: “The scope for raising additional resources to any considerable extent on items covered by Article 269 appears to be limited. An expert committee should be constituted to enquire in to and review from time to time, in consultations with the States....”

There should some criticism made by the different State Governments regarding Finance Commission, “constraints imposed by the Union on the Finance Commission by prescribing certain terms of references; problems arising out of the methodologies followed by the Finance Commission”. “Many State Governments are of the view that the Finance Commission should be made a permanent or standing body to cope with enlarged responsibilities; the coordination between the Finance Commission and Planning

Commission is very important and should be improved, so that an integrated view on the flow of central assistance to the States become possible”. “Another criticism relates to the ‘considerations’ which the Finance Commission are asked to have regard to, among other things , in recommending grants-in-aid under Article 275”.

“ The main criticism voiced by several State Governments that over the years the Planning Commission has come to function as a limb of the Union Government , a far cry from the original concept of an expert advisory body serving both the Union and the States ‘ free from the burden of day to day administration”. Several criticisms was made by the States regarding “the allocation and the pattern of Central assistance”

“10.11.15: The step taken by the Union Government to initiate a process of consultation with the States in finalizing the terms of reference of the Finance Commission is in the right direction. Any consultation to be meaningful should be adequate”.

“11.9.15: the tasks of Planning Commission are now overseen by the NDC.the remedy therefore, lies in reforming these institutions and their working, assuring at the same time full and effective consultation with the States at all stages of the planning process so that they feel that their roll in it is not that of a supplicant, but of an equal participant”.

“11.6.30: An over-all comprehensive review of Centrally Sponsored Schemes should be made periodically by the Planning Commission and it should be placed before the NEDC for consideration”.

“11.9.24: Being the supreme inter-governmental body for all matters related to socio-economic development, National Development Council (NDC) should be renamed and reconstituted as the National Economic Development Council (NEDC) by Presidential order”.

(Sarkaria Commission Report on Centre-State Relations March 14, 2017 smartprep.in)

Hence it was said that the “recommendations highlight, the arrangements is to provide for a machinery and method for bringing together the Union and State governments in decision-making while maintaining the over-all need for the supremacy of the Union over the States. This novel system, which may be termed as 'participatory centralization', where State governments are made to participate in a process of largely centralized and centrally-controlled decision-making meticulously evolved for various areas may be considered as the most important contribution of the Sarkaria Commission to deal with Centre-State relations” (Saraswathi, 1989).

So far as the recommendations of the Sarkaria Commission is concerned, it is observed that they are not agreed to Curtail the powers of Central government, rather they are in opinion that to keep the Country's Unity and integrity, it was necessary to make the centre as strong as possible. As well as the commission gave emphasize on the co-operative nature of the centre. But if we can go with the view of Amal Ray, it was seen that, the Commission failed to understand the inherent Culture of the Country, where federalism was represented as a mixture of Concerns for historical Uniqueness of the Country on the one hand and on the other hand concernedness about the Country in the name of Unity as well as administrative efficiency Though the founding father were Concerned about "majority of popular vote", but the Central government in New Delhi, deals with "formal majoritarianism". Hence forth, convinced by the motto of the Constitution makes it was not possible for the Commission to judge the present Controversy in Centre-State relations, a long year after the independence. That's why since 1960's there was an excessive centralization took place in India, "within the framework of federal constitution" as prepared by the constitution makers. It was said that, with the absence of centrifugal pressure it was possible for U.S.A. to go with the" Centralized direction" and maintenance there regional diversities. But in India, when enormous heterogeneity in culture was rooted in politics, there the concept of strong state was also necessary as like Strong Centre. Hence forth it was said that, the recommendations of Sarkaria Commission provide nothing new or permanent technique, rather it's presented a temporary solutions to reduce the politico-administrative strain between the government at the centre and state in that particular point of time. According to Amal Ray, "it is unfortunate that the Sarkaria Com mission's report does not focus on the conflictive cultures underlying the formulation of the federal scheme and their implications from the perspective of development of India's federal polity. What is more disappointing is that no organized and systematic attempt has been made by the commission to explain the origin and nature of the strains in federalism in the post-Nehru period".

He said, "in general, three major areas of political change appear to have been involved in producing strains in the federal system: (1) changes within the dominant political party, namely, the Congress party; (2) changes within the overall institutional structure and political culture of Indian federalism; and (3) demands by new rural elites arising from economic development.pp.1132But, the major issues in centre-state relations formulated by the commission, do not reflect their concern for a new option that would accommodate the needs and aspirations of the regional communities..."(Ray, 1988).

Though the recommendations of Sarkaria Commission has failed to accommodate the contemporary regional needs influenced by all powerful Congress Part, but the Political change of developing countries is concerned, a revolving tendency of ‘centralization’ as well as ‘powerlessness’ in Indian politics was identified after the completion of Indira era. A simultaneous gap was found in the centralized power of nationalist leader and the ‘states objectives’. The powerful leaders was failed to prove there developmental efficiency as well as their actions was far from a problem solving approach. Though the technique of ‘checks and balances’ was seen in presence of oppositions during Nehru regime but the Top-Down approach was highlighted in Indira’s India. Consequently this was replaced by Bottom-Up approach in the ministry of Rajiv Gandhi. (Kohli,2000).

However, Rajiv Gandhi unlike Indira Gandhi adopted a comparative flexible approach towards the accommodations of the ethno-regional demands of the different parts of the country. At the time of his ministry besides the accord signed with Assam 1985, Mizoram 1986 and Tripura 1988. When on the one hand Assam accord based on the demands of the removal of the names of migrants “entering Assam prior to 1.01.1966” and not to free the migrants “entering between 1.01.1966 and 24.03.1971” as well as extrusions of these migrants who “coming on or after 25.03.1971”.The accords of Mizoram and Tripura was provide for reclamation of normality through abstentions of insurrections and” rehabilitations of the armed underground elements”.

On the other hand , the moderate groups of Jammu and Kashmir has tried to boycotted the election held in 2000 on the basis of the demand of recognition of the state of Jammu and Kashmir as a ‘confederal state’ under the article 370 of the Constitution of India with minimizing the power of central government. However the government of India was tried to restore the situation of Jammu and Kashmir for the sake of national unity and integrity. The assembly election held in Jammu and Kashmir in 2002, where Congress- PDP alliance won over by defeating National Conference and BJP alliance. Henceforth in 2004, the UPA government has tried to make a resolution on Kashmir dispute with Pakistan in a period of “Indo-Pakistan peace process”. (Singh & Saxena,2011).

In 1988, During the Phase of united front Govt. a long discussion over the recommendations throughout the Country took place. In 1991, Congress (I) had accepted “119 recommendations without any charge. Out of 247 recommendations, 24 were rejected, 10 were considered irrelevant and 36 accepted with modifications and rest of recommendations merely remained on paper” (Maheshwari, 1968).

However it has been observed that though the first non-congress government at the state level politics was formed in 1967 and in 1977 the first non-congress coalition government at the centre has been started their journey in Indian political process. But the political process of India was practically getting regionalized around early 1990's after the abolition of Gandhi dynasty.

3.5. Indian political process since 1990's:

It has been observed that the regional parties have permanently spread their roots in the national level politics from the 9th Lok Sabha election 1989 in particular. Where the regional parties like Dravida Munnetra Kazhagam, Telugu Desam Party, Asom Gana Parishad were uniting under the National Front led by the Janata Dal accompanied by the outside support of Communist Party of India (M) and Bharatiya Janta Party (BJP). Because the centre-state relation of India during 1980's was go through a highest political trauma. The federal structure of the country was affected by the acute centralization. 'Until the 1990s, the party system was famous for the "one- party dominance" of the Indian National Congress. The leadership of the party was known as "the high command." Congress was so centralized that the decision as to which state leader was to become chief minister was made by the Congress high command in Delhi. Indian federalism has become less centralized as a result of popular pressures, the breakdown of Congress dominance, and the fragmentation of political parties. Political challenges arise from issues such as 'central vs. state control of police and security forces'; movements for the creation of new states; and the implementation of constitutional provisions for 'village-level governance' (Singh and Verney , 2003) The whole country was striving for a greater decentralization of powers and the non congress state-based as well as regional political parties were politically highlighted in these environment. It has been observed that the different states like Punjab, Jammu & Kashmir, Assam were plea for foreign involvement the countries like Pakistan, China e.t.c against the excessive centralizing political atmosphere (Austin, 1999).

It has been observed that the several conditions have made the federal situation of the country worsened like the procedure of appointment and removal of governor which is highly criticized in the federal sphere. So far as the opinion of the Administrative Reform Commission is concerned, "the president's authority to appoint and remove governors departed from federal principle" (Austin, 1999). Because the central influence over the state administration is worked as an anti-federal factor. As the centre is more powerful within the constitutional framework of the country liked a minimal role of the governor as a

constitutional head in the political process at post-Nehruvian period. However, it has been observed that the Supreme Court in the 1979 Raghukul Tilak case declared that the governor could not act as an agent of the center and the appointment of the governor and his tenure at the pleasure of the president "does not make the Government of India an employer of the Governor. The Governor is the head of the State and holds a high constitutional office which carries with it important constitutional functions and duties and he cannot, therefore . . . be regarded as an employee or servant of the Government of India." The Court went further: "It is impossible to hold that the Governor is under the control of the Government of India. He is not amenable to the directions of the Government of India, nor is he accountable to them for the manner in which he carries out his functions and duties. He is an independent constitutional office which is not subject to the control of the Government of India." But it was observed that some of the governors began acting as agents of the center, as was highlighted in 'the case of the dismissal of N. T. Rama Rao's government in Andhra Pradesh in 1984' (Tummala, 1992).

Consequent to the 1989 general elections, the state of Tamil Nadu came under the control of the Dravida Munnetra Kazagham (DMK) party headed by M. Karunanidhi, who defeated the previous All-India Anna Dravida Munnetra Kazagham (AIADMK) government, which was friendly to the Congress (I). It was obvious from the day of his inauguration that Chandra Shekhar would be obliged to Rajiv Gandhi, the Congress (I) leader.. There was in fact continuous pressure from Rajiv Gandhi, along with the AIADMK and its leader, Jayalalitha, on Chandra Shekhar to dismiss the Karunanidhi government under the pretext that the law and order situation in the state had deteriorated (Tummala , 1992). Governor Mohammad Yusuf Saleem of Bihar was dismissed by the Chandra Shekhar government on grounds of "constitutional impropriety" after he criticized the dismissal of the DMK government in an address to the Bihar legislature (Tummala , 1992).

Moreover, it has been observed that, "Nagaland Governor M.M. Thomas was removed by the Centre in 1992 when he dissolved the Assembly in that state on the advice of Chief Minister Bamuzo without consulting the Centre". He defended his action on the plea that "When a Chief Minister of a majority government recommends dissolution of the House; the Governor is bound to approve it." The Centre, he said, "was manipulating the state on its own whims, which might create serious problems." (Asian Recorder, no. XXXVIII (13-19 May 1992),(Singh,2001-2002)

It has been observed that an “active politicians, mostly belonging to the central ruling party, have been appointed as governors. From 1947 to 1984, over 60% of governors had taken an active part in politics. In the post-Nehru period, the office of governor has been subjected to political pressure to a greater extent” (Rajashekara, 1997). Even it has been observed that the president’s rule has been frequently used in Indira’s personalized political system and the emergency has been imposed on those states where the central government was not in power (Austin, 1999). But so far as the Constitution of India is concerned the president rule is one of the exclusive constitutional devices which can be used in an absolute governmental crisis. Hence, “It is the center alone that has to decide whether the invocation of Article 356 is called for, or not. The way Communist Government in Kerala was sacked in July 1959 is a clear proof of the fact that the center has been concerned more with the considerations of the party politics than with a fair and reasonable interpretation of the provisions of the Constitution”. It has been observed that, “after the Congress split in 1969, it became a minority government with the support of leftist parties. The Congress party attempted to regain the political power by engineering defections and all other means at its disposal including Article 356. The Rajasthan case is the classical example of such means, the opposition parties formed a United Front elected its leader and requested the governor to invite its leader to form the government. The governor refused and recommended the president to invoke Article 356. The Congress engineering defections in the opposition parties to its side and ultimately was able to muster majority. The president's rule was invoked and a Congress government under Mohan Lai Sukhadia was formed in Rajasthan” (Khan,2003). The Hindu, called it an outrage and "a clear mockery of democratic norms and a blatant abuse of power vested in the centre” (The Hindu, International weekly edition, February 9, 1991, p. 8). (Tummala, 1992) .Hence the federal set up of the country was appeared in a high controversy during Indira regime. However the following table shows the arbitrary use of Article 356 during Indira regime:

Table 3.2

Imposition of President's Rule in the States and the Union Territories in India from 1966 to 1977 & from 1980 to 1984:

SL.No	States/ Union Territories	Year of imposition
1	Goa	1966
2	Haryana	1967
3	Manipur	1967
4	Manipur	1967
5	Rajasthan	1967
6	Bihar	1968
7	Pondicherry	1968
8	Punjab	1968
9	Uttar Pradesh	1968
10	Bihar	1969
11	Manipur	1969
12	Kerala	1970
13	Uttar Pradesh	1970
14	West Bengal	1970
15	Gujarat	1971
16	Karnataka	1971
17	Odisha	1971
18	Punjab	1971
19	Tamilnadu	1971
20	Tripura	1971
21	West Bengal	1971
22	Bihar	1972
23	Andhra Pradesh	1973
24	Manipur	1973
25	Odisha	1973
26	Uttar Pradesh	1973
27	Gujarat	1974
28	Pondicherry	1974
29	Pondicherry	1974
30	Nagaland	1975
31	Uttar Pradesh	1975
32	Gujarat	1976
33	Odisha	1976
34	Tamilnadu	1976
35	Jammu&Kashmir	1977
36	Bihar	1980
37	Gujarat	1980
38	Madhya Pradesh	1980
39	Maharashtra	1980
40	Odisha	1980
41	Punjab	1980
42	Rajasthan	1980
43	Tamilnadu	1980
44	Uttar Pradesh	1980
45	Assam	1981
46	Manipur	1981
47	Assam	1982
48	Pondicherry	1983
49	Punjab	1983
50	Sikkim	1984

Source: President's rule in States and Union Territories Lok Sabha Secretariat New Delhi January 2016
<https://eparlib.nic.in> 27th March 1992

In the opinion of V. R. Krishna Iyer, a former Supreme Court judge, Article 356 is tantamount to "constitutional terrorism." From 1951 to March 1995, it was employed 95 times and resulted in the emasculation and erosion of state autonomy. (Rajashekara, 1997).

More over the excessive centralization over the economic resources of the country has been made a federal disorder in particular. The functions of the Planning Commission also decreasing with the upliftment of the more powerful Prime Minister's Office during Indira regime, when the centre should pervade the 'commanding heights of the economy' (Austin, 1999). A trend of rebel against the financial inadequacy was distort the federal atmosphere of the country when the states were urge for adequate autonomy as well as balanced regional development at the economic sector. Consequently the state's complete dependency over centre for their expenditure has compelled them to search for an alternative way out in general. It has been observed that the different states like Kerala, West Bengal, Punjab were fought for increasing power of taxation. In 1973 the Akali Dal in Punjab has adopted Anandpur Sahib Resolution where they emphasized on decreasing central authority on 'currency' (<https://telenganatoday.com> a glance on centre-state relations epaper).

The Tamil Nadu Chief Minister misses no opportunity for pressing his case. Presenting the budget to the State Assembly on March 1, 1975 he called for a "radical restructuring" of the financial relations between the Centre and the States. "Our difficulties arise from the fact that our fiscal powers are limited, we do not receive our due share in the national resources and we have no voice in the management of the national economy (The Hindu March 2, 1975) (Noorani, 1975). On the other hand in 1977 West Bengal Memorandum has issued. It recommended for 75 percent revenue allocation for the states from the total revenue. More over the constitutional status will be given on the 'Planning Commission' as well as the 'National Development Council' as a significant instruments for economic synthesization (Rekha, 2014).

It has been observed that, "the heavy dependence of States on Central resources is evident from the fact that in 1951-52, central resources formed only 26.1 per cent of total expenditure of States which increased to 39.3 per cent in 1960-61, 45.0 per cent in 1970-71 and 47.0 per cent in 1977-78. If we take plan periods, the degree of dependence was 41.4 per cent for First Plan; 48.5 per cent for Second Plan, 52.2 per cent for Third Plan and as high as 56.7 per cent for the Fourth Plan. Thus, on an average, more than half of the state expenditure is financed by Central resources" (Patel, 1980). On the other hand, "the weak resource base of the States is evident from the fact that while the States' own tax revenue has increased

from Rs. 278 crores in 1951-52 to Rs. 456 crores in 1960-61 and Rs. 4033 crores in 1976-77, the Central tax revenue has increased from Rs. 357 crores in 1951-52 to Rs. 730 crores in 1960-61 and Rs. 10766 crores in 1976-77. Thus, since 1951-52 the States' tax revenue has become 14-fold whereas that of the Centre has become 27-fold. The capital budget is to a great extent fed by Central loans. Thus, the Central loans accounted for about 56 per cent of capital expenditure in 1951-52, it was 60 per cent in 1960-61, and 56 per cent in 1970-71”(Patel, 1980).

It has been observed that, “a comparative estimate of the total of statutory and discretionary grants to the states ever since the 1951-52- 1978-79 period may be made”. “While statutory grants to the states were Rs. 103 crore during the 1951-56 period out of the total statutory transfers of Rs. 429 crore [24.01%], the corresponding figures for the 1956-61 period was 207 crore out of 741 crore [27.67%], for the 1961-66 period 330 crore out of 1372 crore [24.05%], for the 1966-69 period 423 crore out of 1754 crore [24.12%], for the 1969-74 period 757 crore out of 5400 crore [14.02%] and for the 1974-80 period 2510 crore out of 9609 crore [26.12%] of which 562 crore were special grants and 1948 crore were revenue gap grants. In 1976-77, out of its budgetary resources, the Central Government provided to States and Union Territories grants of Rs. 1381 crore and loans of Rs. 1,444 crore, inclusive of the provisions is the supplementary demands for grants Approved in August 1976. The: grants showed a rise of Rs. 82 crores over the preceding year. Statutory grants would be lower over the year for six States and higher for eight States” [Reserve Bank of India Bulletin, Nov. 1976] Moreover “the predominance of discretionary grants over statutory grants has given the Central Government vast powers to enter into spheres constitutionally designed for the States into such fields as education, public health, etc., with the result that the State Governments have become more and more dependent on the Centre for meeting the increasing costs of development expenditure” (Ray, 1978).

However the inter states fiscal imbalances were acute in India during 1969-73 and onwards which can be shown by the following table:

Table 3.3

Transfer of funds to the states by way of share of taxes and duties and grants under article 275:(Rs.crore)

States	Fourth Commission's recommendations(1966-71) Share of taxes and duties*	Grants under Article 275	Total	Fifth Commission's Recommendations(1969-74) Share of taxes and duties*	Grants under Article 275	Total
Andhra Pradesh	166.63	67.55	234.18	274.27	65.01	339.28
Assam	62.36	82.60	144.96	93.24	101.97	195.21
Bihar	197.46	..	197.46	407.38	..	407.38
Gujarat	121.55	..	121.55	182.75	..	182.75
Haryana	39.19	..	39.19	59.61	..	59.61
Jammu & Kashmir	33.25	32.85	66.10	33.16	73.68	106.84
Kerala	84.51	104.10	188.61	143.78	49.65	193.43
Madhya Pradesh	148.53	13.50	162.03	274.02	..	274.02
Maharashtra	260.38	..	260.38	383.66	..	383.66
Mysore	111.32	104.10	215.42	179.43	17.99	197.42
Nagaland	23.11	35.35	58.46	2.77	77.95	80.72
Orissa	85.95	145.90	231.85	146.01	104.67	250.68
Punjab	57.51**	..	57.51	89.16	..	89.16
Rajasthan	96.76	33.65	130.41	170.16	51.49	221.65
Tamilnadu	173.12	34.20	207.32	272.29	22.82	295.11
Uttar Pradesh	323.77	49.25	373.02	620.12	..	620.12
West Bengal	197.41	..	197.41	296.64	72.62	369.26

*Includes share of grants in lieu of tax on railway passenger fares.

**The share of composite Punjab has been allocated on population basis between Punjab Haryana and Union Territory.

Source: Report of the Fifth Finance Commission 1969 P. 224 Finance Commission India fincomindia.nic.in

In 1978 Sri Jyoti Basu the former Chief Minister West Bengal, comments in his memorandum that “A strong and united India can only be one in which the democratic aspirations and distinctiveness of the people of the different States are respected and not treated with disdain. We all are definitely for strong states, but on no account do we want a weak centre. The concept of strong states is not necessarily in contradiction to that of strong centre once their respective spheres of authority are clearly marked out”(Commission on Centre-State relations Report Volume 1, Evolution of Centre- State relations in India, March 2010, p.74).According to Gulati and George, “in any case, the need for reform arises because the record of transfers has been observed to be less than satisfactory” (Gulati and George 1988). It has been observed that, “between 1956 and 1981 "the low-income states as a group (that is, UP, Rajasthan, MP and Bihar) have received relatively lower than average per capita

transfers of all states. The three agencies, the Finance Commissions, the Planning Commission and the union ministries, do not seem to have had equity uppermost in their minds in affecting the inter-state distribution of the transfers within their respective ambit." (Gulati and George 1988).

Henceforth a drastic change is appeared in the centre-state relations in India since 1989 when all the anti-congress forces are permanently united in a coalition as an alternative of all power full Congress system. Eventually the principle of consultations with the states gets more priority in the national level politics instead of central impositions by accommodating the regional interests as much as possible. It has been observed that "between 1991 and 1999, regional parties increased their vote share from 26 percent to 46 percent, and the number of regional parties represented in the lower legislative house increased from 19 to 35. The most obvious benefit associated with coalition government is cabinet representation. From 1952 through 1989, only three parties held ministerial berths: Congress, the Janata Party, and the All India Anna Dravida Munnetra Kazhagam (AIADMK). But from 1989 through 2010, thirty-three of the eighty-four parties that won seats in the lower legislative house gained cabinet representation. These thirty-three parties include nearly every major regional party in India" (Ziegfeld, 2012).

Hence, the regional parties have often played a decisive, balancing role in the making and unmaking of governments since 1989. For instance, Jayalalitha's All-India Anna Dravida Munnetra Kazhagam (AIADMK) suspense fully kept the formation of the BJP-coalition government after the 1998 polls waiting for days in March for her letter of support from Chennai promised earlier. Later, she finally sealed the fate of the Vajpayee government in April 1999 by abruptly withdrawing her party's support (Singh and Saxena, 2002). It was the "external" legislative support of the Telugu Desam Party (TDP) that enabled the BJP-led National Democratic Alliance (NDA) government, again headed by Vajpayee, to form the government (Singh, 2002).

However it has been observed that the political fluidity of this environment is shaped in the hand of Bharatiya Janata Party (Mitra and Pehl, 2010). Hence the era of regionalization in the form of coalition is begun in 1989 in practice at the national level politics. The performance of national parties as well as the increasing influence of regional political parties in the general election 1989 has been shown by the following chart:

Table3.4

PERFORMANCE OF NATIONAL POLITICAL PARTIES VIA-A-VIS THE OTHER
POLITICAL PARTIES: GENERAL ELECTION, 1989

Party	Candidates Contested	Won	FD	% Won	FD	Valid Votes	Votes %
BJP	225	85	88	37.78	39.11	34171477	11.36
CPI	50	12	20	24.00	40.00	7734697	2.57
CPM	64	33	5	51.56	7.81	19691309	6.55
ICS(SCS)	14	1	9	7.14	64.29	978377	0.33
INC	510	197	5	38.63	0.98	118894702	39.53
JD	244	143	29	58.61	11.89	53518521	17.79
JNP(JP)	155	0	149	0.00	96.13	3029743	1.01
LKD(B)	116	0	116	0.00	100.0	602110	0.20
National Parties:	1378	471	421	34.18	30.55	238620936	79.33
State Parties:	143	27	42	18.88	29.37	27923500	9.28
Registered(unrecognized)Parties	926	19	868	2.05	93.74	18438206	6.13
Independents:	3713	12	3672	0.32	98.90	15793781	5.25
Total:	6160	529	5003	8.59	81.22	300776423	

Source: Election Commission of India – General Election, 1989 (9th Lok Sabha) eci.gov.in

Hence in the environment of growing pluralism made the regional politics influential as well as dogmatic in the sphere of national level politics. The quantitative federal structure of Indian political process is introduced as an alternative of congress party rule. The multiparty system instead of one party system has been arising by the various regional parties along with the rising Bharatiya Janta Party. However, the newish governance of the country has produced a mixing polity of centralization as well as decentralization where the decentralized regional authorities are coming with the hierarchical political party like BJP. Gradually the federation of India is fitted in this coalition of national and local elites in a multicultural frame (Kohli, 2001). In this context the atmosphere of national politics is diluted within the atmosphere of regional diversity in the period of regionalization where the regional demands were well accommodated. It has been noticed that, standing over the question of political survival the national political parties have increased their tolerance towards the regional crisis. It was said on behalf of BJP, “Every national party has an ambition. But arrangements of the kind we have made with the Akali Dal or the Janata Dal (U) or that we make with some other party- if they stabilize and endure, there is nothing wrong with it. Their interest is focused on the state and ours at the centre- there is no contradiction, it is a complementary relationship”. (The Telegraph/ Calcutta, 24 April 2009)

It has been observed that, “Federal states that share sovereignty and negotiate its parameters and balances seem more relevant to 21st-century requirements when federalism is associated with liberal ideas of autonomy and freedom. The idea of provincial sovereignty that informed the operation of the Government of India Act 1935, remain to come back. Though the divided, shared and layered sovereignty that Nehru rejected as unsuitable for India and after the rejection of Cabinet Mission plan by the Muslim League which was advocated a multi-layered federal scheme with a weak center and strong provinces, Nehru succeeded on both counts, moving the equilibrium between the center and the states decisively toward a strong center and a planned economy that achieved primary industrialization in the second and third five-year plans (1957-1967). In 1989, two years before the launching of economic reform, India's party system began a rapid transition from a dominant party to a multi party system and from majority governments to coalition governments. The change had a profound effect on the federal system. State-based parties played an increasingly decisive role in the formation of coalition governments”. (Rudolph and Rudolph, 2010).

One can look in to the matter of Centre-State relation from 'dispositional' perspective a two way traffic i.e. an action or who influences whom on what issues and under what situations, can be perceived to outline the structural relations between centre and states. When Indira Gandhi was in opposition she was reported to have instigated the Khalistan movement under the leadership of Sant Bhindrenwala for her own political expediency, which boomeranged to her later on as Prime Minister with diabolic political upshots. She could not be able to control or eliminate such separatist forces despite military and political control at her command. Her preference for a military blue star operation in Sikh Golden Temple with the ostensible purpose of solving the crisis not only alienated the Sikh community from Indian main- stream but culminated in her assassination by her own security guards. Her son Rajiv Gandhi's signing a political accord with Longowal was demonstrative of centre's realisation of the dispositional vulnerability and lack of control over the systemic outcome of the military power (Gaan, 1991) The decay of 1990's was indicated centre's limitations in 'dispositional sense' when no national parties were able to gain a winning majority without the help of regional parties. This made the structural dependence between the Center and States. A strong phase of regionalized federalism in India took place in 1996, when the United Front Government with the support of Congress (I) came to power. This was the government which formed by the composition of fourteen regional parties.

Hence the federal power sharing model has started to getting balanced in these circumstances which minimizing the anti –centre attitude of the regions since 1990’s. However the central intervention through the imposition of president rule often aggravated this federal-friendly atmosphere in particular. But it has been observed that the overall federal atmosphere (including judiciary) of the country had voiced for the regional crisis which made the position of the state’s stronger than earlier. More over the role of the local-self-government have been highlighted in these circumstances which will be treated as an inclusionary strategy of decentralized political process of India. However the following events were demarcated the state-centric trend of Indian political process boost up by the regional influences since 1990’s:

3.6. Inter-State Council

Henceforth as per the recommendation of Sarkaria Commission a permanent Inter-State council was established by the National Front Government, ‘with a view to restore the federal character of the National Polity.’ on the basis of the provisions of laid in an article 263 of the Constitution of India (Prakash Chander, 2008).The Inter-State Council was established as a body of coordinator between Centre and the States. The motto of the proposed council was to harmonizing the nation by maintaining a leazo between the central and state government. It has been observed that, in 1996, when United Front came in to the power Inter-State Council, had composed a committee to re-examine the sensitive issues regarding the Centre-State relation. It was declared at that time the overlapping areas of Centre-State relations must be carried in accordance with consultations. In 1999, during the Minister of BJP led coalition govt. inter-State Council had accepted 124 recommendations compiled by Sarkaria Commission finally.

On the other hand, the implementation of Neo International Economic Order as a set of economic proposal of global market in favor of developing countries brought to a drastic changes in the federal system of India in general and fiscal Sector in particular.

3.7. Neo International Economic Order

The Neo International Economic Order has been appeared in 1990’s with the aim of promoting economic development among the poor countries through the self-help in general. It has been observed that the economic liberalization has increased the powers of states in Indian Federation. Gradually the fiscal federalism of India has been started to restructure by reducing the central influence. The States has started to enjoy the power of policy making in

an economic sphere more independently. The federal features of India have become strong by this decentralizing economic reform in general which have increased the role of regional political parties in particular. The Neo International Economic Order encouraged the Inter-States inequality in general and Inter-State regional disparities in Particular, on the basis of the geographical location, demography, size, political importance and growth performance of a particular State. It was noticed that Andhra Pradesh, Karnataka such market based State government raised the Information Technology-Enabled Services revolution, during 1990's. This introduced a regime of shared responsibility and decision making where the Inter -state policy potential has been reexamined and created an atmosphere of federal development which eventually weekend the central hegemony.

It has been observed that “economic challenges to cooperative federalism emerge from market reforms, the search for investments, and the World Bank structural adjustment plans adopted in selected states. Devolution of economic decision-making to the states aggravates fiscal crisis by facilitating populist political strategies and accentuating uneven development” (Singh and Verney, 2003). It is noticed that, the centre as well as the state governments interacted with the foreign authority directly in an integrated world economy. Eventually the license permit raj system was delimited the boundaries between centre state as well as with the World market. Which indicated a sign of progress in fiscal sector apparently but side by side a fiscal deficit of both the government was noticed also. The policy of Liberalization, Privatizations and Globalization (LPG) give emphasize on the system of decentralization which affected the intergovernmental relations enormously. So in 1990's the economic reform makes a paradigm shift in Indian Politics by transforming centralized economy in to a decentralized one. It was said that “In the context of federalism, privatization can support the objective of allowing explicit Centre-State transfers to meet their own objectives more effectively.”It has to be observed that there was an increasing tendency in the “direct tax to GDP ratio from 2.16% to 3.24%” on the other hand; there was a tendency of decreasing in the “Central indirect tax to GDP ratio from 8.84% to 6.23%”.The economic reform here affected the Indian federal system in the Sphere of indirect taxation (Singh & Srinivasan, 2002).

Beside the NIEO, another different issue also affected India federal systems at that time are as followed:

3.8. The collapse of Soviet Union, Mandal Commission, the issue of Hindutva : some controversial issues

As a strategic partner of India, the collapse of the Soviet Union 1989 had left its deep impact on India's centralized economy, from which India was getting a large amount of material assistance. Another one is, an embodiment of the report of Mandal Commission regarding 'Reservation for Backward Classes' during the period of United front Government. This was controversial in nature. The report of Mandal Commission was encouraged the emergence of State parties led by the people of the lower classes on the one hand and where as the number of the leaders of the national parties whose are mostly belongs to Upper Caste was minimized. As a result after 1996, no national party was able to win the Lok Sabha seats with an absolute majority. So the era of one Party domination was withering away. The politics of India was getting more casticized.

In 1992, the controversial issues of Hindutva were raised at that time by representing a large Hindu Sentiment. This was getting inspired by the destruction of Babri Masjid and ayodhya Ram Mandir. "Mandal/Mandir Controversy" was played a crucial role in Indian Politics at that time. It was said that, the class and caste conflict was inspired by the report of mandal Commission. The riots were started violently in Uttar Pradesh, Bihar and Gujarat. Consequently the "Centralized federalism" was failed to maintain the law and order of the country in general. Hence forth gradually the country became decentralized. But in Gujarat violence 2002 raised a question about the efficiently of decentralized government to maintain law and order of the country also (Singh and Verney, 2003).

However the process of federalization was further strengthened by the constitutional recognition of local self government in India. Local self-government is known is a process of power decentralization at the grass root level which exists in India from the ancient age through the self-governing system in villages. As an administrative organ the local self government has been started its journey from the British rule. Even it has been observed that the Government of India act 1935 has been authorizes the provinces to enact legislation in particular. After independence the local self government in the form of democratic decentralization took place through the recommendation of Balwant Rai Mehta Committee (1957), the demand for its constitutional recognition was made by Ashok Mehta Committee (1977) and L.M.Singhvi Committee (1986) which have resulted in introduction of 64th Constitutional Bill 1989 and finally came in to existence through the 73rd and 74th Constitutional Amendment in 1992. But the demand was raised against the 64th

Constitutional Bill that “the independence of the local units also would have been further guaranteed, insofar as their dependence on, and control by the state governments would have been eliminated”. It has been observed that “prior to the 1991 general elections, the Left Democratic Front (LDF) government in Kerala conducted elections to the panchayats and got control of these bodies. But after the 1991 elections, the United Democratic Front (UDF) came to power in the state, thus threatening the LDF-controlled local governments. To assuage feelings of insecurity, the UDF government had to give assurances that it would not interfere with the local units and their functioning (assuming it would keep its word). Under the proposed bill, this would not have been necessary, as the local units would have been protected by their constitutional presence. Thus, the bill would have guaranteed sub national and sub state governments, and with so much more division of power, federalism would have been enhanced”.

Even “The espousal by the prime minister of the Panchayati Raj Bill was itself considered to be opportunistic, even hypocritical by some. Addressing the chief ministers' conference on May 5, 1989, Rajiv Gandhi commended the bill thus: "We are on the threshold of a mighty revolution.... It is a revolution based on maximum democracy and maximum devolution." (Sezhiyan Era, 1989). But the Karnataka Panchayati Raj Bill, sent for the president's assent in late 1983, was not recommended for his signature for twenty months until a state minister threatened to go on a hunger strike. The Hindu commented in an editorial that the way the bill was approached by the Rajiv government "has smacked of narrow, singularly partisan motivations."The critics commented that the Sixty-Fourth Amendment Bill was "fraudulent in intent, ill- thought out on details and wholly unmindful of the potential for mischief"(Tummala K, 1992).

The directive principal of state policy has shown “The state shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self government” (article 40, Constitution of India). However the bill was restored during the tenure of Narasimha Rao and become an act.

3.9. Constitutional recognition of local self government (Three tier federalism)

Hence the 73rd constitutional amendment Act 1992 has been added a new dimension in the sphere of fiscal federalism by giving the constitutional status to the rural self government. The act also known as Panchayati Raj act, which provide the three tire Panchayati Raj System at village, intermediate and district levels. The process of democratic

decentralization has been established in true sense, which was associated with the people of grass root level. Thus with the central and state Government, the local self government has been adopted as a third organ of federalism in India political system. So far as the Constitution of India is concerned, the 73rd and 74th Constitutional amendment acts, have been added the two new Parts IX and IX A to the Constitution. Contain with two new schedules 11th and 12th schedules for the purpose of the empowerment of the local institutions. This established the three tire federation in India.

However the panchayat system in India has immediate spread its roots in Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Maharashtra, Madhya Pradesh, Orissa, and Rajasthan under the Panchayat act 1996. The Nagaland, Meghalaya, Mizoram, Manipur were excluded due to having district Councils (Prakash Chander, 2008). As per the Constitution of India, the local self govt. was under the Jurisdiction of State govt. Hence forth, the State legislative assembly have been authorized the panchayat to make a plan for Socio-Economic development, to see the matter of Social justice, to ensure effective implementations of various scheme for social development, sharing the administrative burden of central as well as state governments. The Constitution of India, given full authority to the panchayat through the Eleventh Schedule, Containing 29th items. Besides these, the panchayat have the power to levy, collect and appropriate taxes, duties, tolls and fees in accordance with the prescribed procedure and limits made by the State legislature, for the purpose of arranged adequate financial resources to carry out the developmental programs successfully.

On the other hand, the urban local self government which has got the constitutional states by the 74th Constitutional amendment act 1994 played a major role in the development of the urban areas. The act provided three type of Urban-Self government were, Nagar Panchayat, Municipal Council and Municipal Corporation. The State legislature are authorized the Municipalities to make a plane for Socio-Economic development, effective implementations of various developmental Schemes as well as to ensure Social Justice. The functional 18 items of twelfth Schedule placed with the Purview of the Municipalities. Besides these the Municipalities had the power to levy, collect and appropriate taxes, duties, tolls and fees prescribed by the State legislative assembly for the purpose of development in all the Sector of Urban local areas. In the Context of federalism the local assertion for power sharing were witnessed in “the periods of the Janata Party’s electoral victory in 1997, the

1987 Panchayat elections in Karnataka, elections to the local bodies in Orissa in 1992 and panchayat polls in West Bengal in 1993". (Singh & Saxena, 2011)

Eventually in 1994, another major event took place in Indian Politics. A landmark decision was taken by Supreme Court of India, regarding the arbitrary imposition of President Rules in States by the Central government, in the case of S.R. Bommai v. Union of India.

3.10. S.R. Bommai v. Union of India:

In "Karnataka (1989) the Janta dal Government led by S.R. Bommai was thrown in to constitutional crisis owing to breaking away of a dissident group of the party. However, the chief minister reported to the Governor that he was prepared to prove his majority on the floor of the house. But the Governor did not give him a chance to prove his majority in the state Legislative Assembly. Consequently, the S.R. Bommai ministry was dismissed and president's rule was imposed on April 21, 1989 along with the dissolution of the state Legislative Assembly. S.R. Bommai filed a writ petition and challenged the constitutionality of the proclamation of president regarding the imposition of president's rule in Karnataka on April 21, 1984". (Suryaprasad, 2012).

The Supreme Court said in S.R. Bommai v. Union of India 1994, that "Article 355 it is the duty of the Union to ensure that the Government of every State is carried on in accordance with the provisions of the Constitution. Article 356, on the other hand, provides the remedy when there has been an actual breakdown of the constitutional machinery of the State. Any abuse or misuse of this drastic power damages the fabric of the Constitution, whereas the object of this article is to enable the Union to take remedial action consequent upon breakdown of the constitutional machinery, so that governance of the State in accordance with the provisions of the Constitution is restored."

The major decisions of Supreme Court in S.R. Bommai vs. Union of India are summarized below:

"Article 356 of the Constitution confers a power upon the President to be exercised only where he is satisfied that a situation has arisen where the Government of a State cannot be carried on in accordance with the provisions of the Constitution. Under our Constitution, the power is really that of the Union Council of Ministers with the Prime Minister at its head. The satisfaction contemplated by the article is subjective in nature".

“The power conferred by Article 356 upon the President is a conditioned power. It is not an absolute power. The existence of material which may comprise of or include the report(s) of the Governor is a pre-condition. The satisfaction must be formed on relevant material. The recommendations of the Sarkaria Commission with respect to the exercise of power under Article 356 do merit serious consideration at the hands of all concerned”.

“The Proclamation under Article 356(1) is not immune from judicial review. The Supreme Court or the High Court can strike down the Proclamation if it is found to be mala fide or based on wholly irrelevant or extraneous grounds.

“The Constitution of India has created a federation but with a bias in favour of the Centre. Within the sphere allotted to the States, they are supreme”.

(AIR SC 1994[Vol. 81]).

Hence forth in 2003, the issue of Centre-State relationship was improved during the phase of Atal Bihari Vajpayee. A commitment was given from Inter-State Council, in the regards of imposition of Article 356, that if there is a situation of the violence of the Constitution, the Central government would softly advised the State government under the article 256 and 257 at the beginning. (Prakash Chander, PP. 248)

Consequently the centre-state relation again comes under the review of another National Commission in 2002 which recommendations are mentioned below,

3.11. National Commission to Review the Working of the Constitution

In 2002, the National Commission to Review the Working of the Constitution was established by the Government of India under the chairmanship of Justice M. M. Vankatachaliah. Which submitted its report on 2007, during the ministry of congress led UPA government. Some major recommendations of the Commission were as followed:

The Commission recommends that “individual and collective consultation with the States should be undertaken through the Inter-State Council established under article 263 of the Constitution.

The Commission, while endorsing the recommendations of the Commission on Centre-State Relations (Sarkaria Commission), recommends that in resolving problems and coordinating policy and action, the Union as well as the States should more effectively utilize the forum of inter-State Council. This will be in tune with the spirit of cooperative federalism

requiring proper understanding and mutual confidence and resolution of problems of common interest expeditiously.

The Commission, therefore, recommends, in the spirit of the framers of the Constitution, that “article 356 must be used sparingly and only as a remedy of the last resort and after exhausting action under other articles like 256, 257 and 355.”

The Commission recommends that “normally President’s Rule in a State should be proclaimed on the basis of Governor’s Report under article 356(1). The Governor’s report should be a ‘speaking document’, containing a precise and clear statement of all material facts and grounds, on the basis of which the President may satisfy himself, as to the existence or otherwise of the situation contemplated in article 356”.(NCRWC Report, Ministry of Law, Justice and Legal Affairs, Department of Legal Affairs, legalaffairs.gov.in).

3.12. Review the ‘National Commission to Review the Working of the Constitution’:

A positive observation made by M.P.Singh and B.D.Dua, in their, “Indian Federalism and NCRWC Report 2002...” we can see that besides various recommendations, the Commission has a great contribution in the arena of Constitutionalism in India. By giving priority on National Interest, it gave emphasize on reforming electoral and party system, which is responsible for criminalization of politics in India in particular. This make NCRWC differ from the earlier commissions set up by the Government of India. To make the Indian Democracy as strong as possible, the Commission gave a more emphasize on “The Committee system to arrest the decline of Legislatures” as well as “Controlling the malady of political defections by providing for a constructive vote of confidence in an alternative government.” (M.P.Singh and B.D.Dua, “Indian Federalism and NCRWC Report 2002: Quest for a Federation without Federalism?” in “Indian Federalism in the New Millennium” edited by B.D.Dua and M.P.Singh, Manohar Pub, 2003).

In 2006 there was another judgment of Supreme Court came against the act of Governor as an agent of Central Government in the case of Rameshwar Prasad v. Union of India popularly known as Bihar Assembly dissolution case. The impartiality of the Governor in Bihar at that particular time has been questioned. Supreme Court declared the dissolution of the state legislative assembly unconstitutional. More over it has been said that “It has become imperative and necessary that right persons are chosen as Governors if the sanctity of the post as the head of the executive of a State is to be maintained” ‘as head of the state the

Governor has a duty to see that the administration of the state does not break down due to political instability' (AIR2006 SC 980).

3.13. The Punchhi Commission:

Again another commission, the Punchhi Commission was set up by the Congress led UPA Government in 2007 for re- structuring the centre-state relations in general and mitigating the problem of regional imbalances in particular. The commission submitted its report on 2010. But out of 273 recommendations of the commission, UPA government was taken only 123 suggestions for discussion and decision. Some major recommendations of the Punchhi Commission were as follows:

'The Commission was of the view that the first thing that should be done by Parliament is to make a law on the subject of "entering into treaties and agreements with foreign countries and implementing of treaties, agreements and conventions with foreign countries" as contemplated by entry 14 of List I of the Seventh Schedule to the constitution. The law should regulate the 'treaty-making power'. There is an urgent and real need to democratize the process of treaty making. Under our constitutional system, it is not the prerogative of the executive. It is a matter within the competence of Parliament and it should exercise that power in the interest of the State and its citizens'.

"Article 356 should be used very sparingly, in extreme cases, as a measure of last resort, when all available alternatives fail to prevent or rectify a breakdown of constitutional machinery in the State. All attempts should be made to resolve the crisis at the State level before taking recourse to the provisions of Article 356".

"Power of Union to give directions to State Though States have raised objections to the power exercisable by the Union under Articles 256 and 257 on the ground that they are destructive of not only the autonomy of States but also inimical to the very foundation of a federal arrangement, the Commission is of the considered view that there is no case for amendment of these provisions. Articles 256 and 257 may be viewed as a safety valve, one which may never come into play but which is nevertheless required to be retained". "It is imperative to put the Inter-State Council as a specialized forum to deal with intergovernmental relations according to federal principles and Constitutional good practices".

“As the resources at the command of the States are limited, the Commission recommends higher Central transfers to backward States to enable them to improve their physical and human infrastructure”.

“There should be greater focus on the issues of governance in the less developed States of the country”.

“The Commission is in favor of Finance Commission adopting more sophisticated methods to assess the needs of backward States and providing them with higher transfers”.

(Inter-State Council Secretariat, Ministry of Home Affairs, Government of India. Interstatecouncil.nic.in 2017).

In 2010 Supreme Court again raised a question against the procedure of Governor’s removal in the case of B.P.Singhal vs Union of India. The Supreme Court held that “a Governor cannot be removed on the ground that he is out of sync with the ideologies of the Union Government or the party in power at the Centre”. (SC/0350/2010)

Conclusion:

Henceforth from the above discussion it is revealed that since 1990s the Indian political system was taking the form of more federal than unitary when the state was occupied the central area of discussion. It is assumed that it is the regional parties which actually make the states as stronger as possible. However in this federal atmosphere the phase of coalition politics was finally grasping the political power since 1989 which has been added extra regional flavor in Indian political process. The changing political scenario is the result of dissatisfactions’ of a larger populations of the country on the basis of regional disparity as well as excessive centralization of powers and the needs of power sharing in a diversified-heterogeneous country. Naturally the period started from early 1990’s have been characterized as a period of greater regionalization towards more federalization. However since 1990`s the policy of regionalization has been more stronger which intended to make a balance between ‘Parliamentary centralization and federal decentralization. The states governments are become more active regarding political participation at the denial of central interventions which makes the environment of political retaliation in general. In Kerala, on a National seminar on the centre-state relations and the Union Finance Commission, Asim Dasgupta, the then Left Front Finance Minister of West Bengal has argued for adequate representation for states in the Union Planning Commission, Finance Commission and the boards of the Reserve Bank of India as also for the strengthening of the National

Development Council and the Inter-State Council'. (Singh Saxena, 2013). Hence forth the growing regional consciousness has paved the way for several regional as well as sub-regional movements emerged from the regional discriminations throughout the country. The coalition politics has been acquired a stable platform by the representations of distinct regional political parties. The period of regionalism has been appeared as a turning point of Indian political system by taking federation building as its ends.