At the Centre
Lie the States

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Rahul Gandhi’s recent intervention in the Lok Sabha
struck a nerve when he reminded the majority in
Parliament that India is first and foremost a union of
states, and that the rights of states ought to be
respected and protected. One could tsk about his other claim that
India, therefore, is less of a nation than a union of states. But it remains true
that India has recently seen a process of
political centralisation that it hasn’t experienced since the Emergence
in the late 1970s under Indira Gandhi.

Beyond the personalisation of national politics and the building of a
grand national political narrative, the Union government has intro-
duced, since 2014, a series of reforms that have tilted the balance of power
between the Centre and the states, to the benefit of the former.

On the fiscal front, the goods and services tax (GST) reform was meant
to streamline and rationalise revenue
collection and sharing between the
Centre and the states. But the GST Council, which was meant to be a delib-
 erative body never really performed that function. Instead, the Centre re-
Negotiated on its part of the bargain by de-
laying distribution of revenue collected and sought to
withhold compensations
due to states.

The dismantling of the Planning Commission meant the disappear-
ance of its role of consultative body for
state governments, ahead of policy
formulation. Its successor, the NITI
(National Institution for Transfor-
mation of India) Aayog, is less of a polit-
cal consultative body than a technocratic administrative entity, which has not assumed that role.

The central government also passed national laws on state subjects like
agriculture, dooming their implementa-
tion from the start in a context where fewer states align with the
party in power at the Centre. In many in-
stances, reforms that were meant to foster cooperative federalism failed to
deliver on that promise as the governance style imposed by Narendra Modi
and the Prime Minister’s Office (PMO) have pushed towards more unilateral decision making.

This is important because federalism, scholars and constitutionalists
have argued, plays a deeper role and has a deeper meaning than just an en-
semble of fiscal or bureaucratic ar-
nangements between the Centre and the states.

The essence of federalism is to create institutional and political arran-
gements that ensure effective governance and the peaceful coexistence of various regional political identit-
ities. In India, linguistic federalism was
the path chosen to balance regional political aspirations and national be-
longing. According to King’s College
London political scientist Louise Til-
in, in her 2018 book, Indian Federal-
ism, India opted for a unique model of
federalism — fairly centralised, but with a strong degree of inter-
dependence between the Centre and the state, and with the capacity to modify the
gubs along the way to tackle the agents that inevitably arise in plur-
archistic societies.

The idea of federalism also rested on the idea that in a democracy power
ought to be shared between different entities, in different layers of power.
According toTillin, federalism “has enabled the expression and protec-
tion of diverse forms of belonging within India and has been central to
the richness and resilience of India’s democracy.”

Scholars of Indian federalism argue that India has been made more
cohesive, stronger and, therefore, more
united by separating power and sharing resources between the Centre
and the states, and by using negoti-
ation to solve problems. To use Centre
for Policy Research Chief Executive
Yamini Aiyar’s expression in a 2020 Scroll interview (bit.ly/3grvPZp), fe-
deralism is “a tool that allows for the
fundamental character of India to cohere.”

Federalism and states also ought to be respected because citizens are atta-
ched to the idea that they should be re-
presented by different governments.
Electoral data tell us that Indian voters participate more in state elections
than in national elections. Many voters have no issue voting for one party at the Centre and for another at the state
level, according to their understanding of where their interests and prefer-
ences lie. Treating state’s rights and prerogatives also amounts to trampling on the people who brought
the state government to power.

The question of whether India is first a nation or a union of states is a
non sequitur. The two notions are per-
fectly compatible and need not — in
fact, must not — be pitted against one another. Twenty-seven countries currently have federal political systems,
embracing 40% of the world’s pop-
ulation. No one disputes the fact that
Canada, the US, Germany or Argenti-
na constitute nations.

The question is to what extent the centralising tendencies of the Union
government will affect the prerogatives of states and, therefore, provide
grain in the mill of those who aspire
to greater autonomy. In 2026, the free-
ze on the extension of states’ representa-
tion in the national Parliament
will lapse, which will open up a difficult
discussion on the balance of power
between the north and the south. [By
virtue of demographic rebalancing, southern states stand to lose seats in
Parliament.] This will require strong
negotiation skills from whoever holds power at the Centre, to avoid
tensions and possibly conflict.

One can predict that Centre-state
relations will be one of the main fault
lines along which the next general election will be fought. Regional par-
ties that have expressed their con-
cerns regarding the reduction of sta-
tes’ autonomy have started to coa-
lesto, preparing a battle between two
deeply opposed visions of India’s po-
litical system.