



“The Role of States in Shaping India’s Cooperative Federalism: A Study of Autonomy and Negotiation”

PRIYANKA PAKHARE

LLM STUDENT

SRI BALAJI UNIVERSITY PUNE(SBUP), BALAJI SCHOOL OF LAW(BSL)

ABSTRACT:

Cooperative federalism in India signifies collaboration between the Union and State governments to address national challenges and pursue shared developmental goals. Despite the **constitutional emphasis on cooperation**, recent political and institutional trends reveal increasing centralization. Effective governance, however, demands joint efforts across Union, State, and local levels, emphasizing shared responsibilities over rigid authority divisions.

It argues that although cooperative federalism remains integral to India’s administrative structure, it increasingly converges with elements of competitive federalism, thereby shaping a dynamic Centre-State relationship that balances institutional collaboration with state-level innovation to effectively respond to regional disparities and national imperatives. The paper argues that India’s **cooperative federalism is**, in practice, **evolving into a form of “coercive federalism,”** wherein negotiation serves more as a constitutional formality than a tool of equitable governance. The study critically assesses the **extent of genuine state autonomy and the influence of negotiation, political bargaining, and judicial intervention on cooperative federalism’s practical application.** The study concludes that strengthening genuine state autonomy is essential for preserving India’s federal spirit and ensuring a constitutional balance.

Keywords: Centre, State, Federalism.

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

India has adopted a federal structure with a strong central government to maintain unity and integrity in a diverse nation. The concept of cooperative federalism emerged as a constitutional mechanism wherein the Centre and the States are expected to function in coordination rather than conflict. However, in recent years, debates have intensified regarding whether this cooperation is voluntary and equitable, or whether it is shaped by central dominance under the guise of constitutional cooperation.¹

1.2 CONSTITUTIONAL BASIS OF FEDERALISM IN INDIA

The Indian Constitution incorporates federal features, such as a dual polity, division of powers (**Seventh Schedule**), bicameralism, and an independent judiciary. **Articles 245–263** outline legislative relations,² while the Finance Commission under Article 280 determines financial distribution. Although the Constitution uses the phrase “Union of States,” the Supreme Court has held that federalism is part of the basic structure of the Indian Constitution. Despite this, various constitutional provisions such as **Article 356** (President’s Rule),

¹D.D. BASU, *Introduction to the Constitution of India* 145 (24th ed. LexisNexis 2022).

²INDIA CONST. arts. 245–263.

Article 249 (Parliament's power over State subjects), and the role of the Governor have been criticized for concentrating power in the hands of the centre.³

1.3 RESEARCH PROBLEM

Is cooperative federalism genuinely cooperative, or is it a form of controlled centralization in which states are compelled to cooperate out of necessity rather than due to constitutional equality?

1.4 OBJECTIVES OF THE STUDY

1. This research aims to Examine constitutional provisions governing centre-state relations.
2. To study recent developments, such as the GST Council, Finance Commission allocations
3. Analyse the extent of autonomy vested in the states within the framework of cooperative federalism.
4. Critically assess whether India's cooperative federalism transformed into coercive federalism.

1.5 SIGNIFICANCE OF THE STUDY

Understanding the evolving nature of Indian federalism is crucial to democratic governance and constitutional stability. State autonomy is not merely an administrative concern but a fundamental requirement for balanced development and the true representation of regional interests. This study contributes to the ongoing constitutional discourse by emphasizing the need to reevaluate the practical realities of cooperative federalism in India.

1.6 SCOPE AND LIMITATIONS

This study adopts a doctrinal method focused on constitutional provisions, judicial pronouncements, reports of constitutional bodies, and scholarly commentary. It does not involve empirical or statistical data collection. The scope of this study is limited to examining Indian federalism without comparing it with other federal models.

1. LITERATURE REVIEW

2.1 CONSTITUTIONAL THEORY AND NATURE OF INDIAN FEDERALISM

Scholars such as K.C. Wheare described India as "quasi-federal," arguing that the balance of power is heavily tilted in favour of the centre. Granville Austin introduced the concept of "cooperative federalism,"⁴ emphasizing the Constitution's intent to promote interdependence between the Union and the States. However, recent scholars argue that this cooperation has evolved into centralized control due to constitutional provisions such as Article 356 and the overriding powers of the Parliament under Articles 249 and 252.⁵

Scholars like B.P. Pandey and M. Govinda Rao⁶ highlight that while the Constitution grants state the power to levy certain taxes, the Centre retains control over major revenue sources. The introduction of GST further centralized fiscal power. The Finance Commission's recommendations often impose conditions that reduce state autonomy. Studies point out that states depend heavily on central grants, giving the union significant bargaining power.⁷

2.3 IDENTIFICATION OF RESEARCH GAP

Most constitutional scholars view cooperative federalism as a normative ideal emphasizing Union-State harmony. Foundational thinkers like K.C. Wheare characterized India as "quasi-federal," noting its centralizing tendencies, while Granville Austin coined "cooperative federalism" to reflect constitutional interdependence though he did not address the practical constraints on state autonomy.

Existing literature often treats cooperative federalism as a static legal concept, overlooking its dynamic nature shaped by political bargaining and fiscal dependence. There is limited analysis of how constitutional

³INDIA CONST. art. 356.

⁴K.C. WHEARE, *Federal Government* 20–24 (4th ed., Oxford Univ. Press 1963).

mechanisms are used by the Union to influence or restrict state discretion, especially where central directives override formal federal provisions.

Institutions like the Inter-State Council and NITI Aayog serve as consultative forums, but their advisory status constrains substantive state participation in policymaking. Legal scholarship rarely interrogates the inherent power asymmetries within these bodies, where cooperative federal mechanisms function more procedurally than substantively. Predominant focus on constitutional text and judicial interpretation often eclipses the political praxis of federalism, wherein states act as strategic negotiators—leveraging protest, litigation, and bargaining to advance their interests and extract concessions.

This research fills this gap by introducing “**negotiated compliance**,” showing that cooperative federalism in India functions less as voluntary collaboration and more as conditional cooperation shaped by central dominance and fiscal dependency, a perspective absent in existing scholarship.

2. RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

This research follows a doctrinal methodology, which involves an in-depth examination of legal doctrines, constitutional provisions, judicial precedents, and scholarly opinions relating to centre-state relations in India. The doctrinal approach is appropriate for this study, as it focuses on the legal principles governing federal structure and cooperative federalism.

3.2 SOURCES OF DATA - PRIMARY AND SECONDARY SOURCES

- 1) The Constitution of India
- 2) Judicial Decisions
- 3) Reports of Constitutional and Statutory Bodies, including the Sarkaria Commission, Punchhi Commission, Finance Commission reports, and GST Council proceedings.
- 4) Government reports, NITI Aayog discussions, and official press releases relating to federalism and fiscal relations.

The above are primary sources as they are authoritative legal sources.

- 5) Scholarly articles and commentaries from leading legal journals
- 6) Books by constitutional experts such as Granville Austin, D.D. Basu, I.P. Massey, and M.P. Jain

And these last two are secondary sources which interpret, analyse, or comment on primary sources.⁸

3. ANALYSIS / DISCUSSION

4.1 COOPERATIVE FEDERALISM

The conceptual foundation of a cooperative and harmonious federation is firmly embedded in the deliberations of the Constituent Assembly. **Section 163(4) of the Government of India Act, 1935**, explicitly provided that the federal government could not arbitrarily withhold or delay an approved loan to a province, thereby institutionalizing a safeguard against **fiscal coercion**. During the **drafting of Articles 268 and 269 of the Constitution**,⁹ M. Ananthasayanam Ayyangar opined that such a provision was unnecessary, asserting that the constitution's framers relied on the overarching ethos of **cooperative and harmonious federalism, rather than a coercive or competitive one**. Thus, it is evident that **cooperative federalism is rooted in the Constitution itself**.¹⁰

In the case of **State of Rajasthan v Union of India**, the Court references **Austin and A.H. Birch, acknowledging cooperative federalism**. Further, in **Jindal Stainless Ltd. v. State of Haryana**, Justice N.V. Ramana observed that “**the Union does not exist in isolation, but is rather a cooperative association of the State**,” thereby reinforcing the jurisprudential recognition of intergovernmental collaboration.¹¹

Accordingly, an examination of India's constitutional history and judicial interpretation reveals that **cooperative federalism is not merely aspirational but is a legally entrenched principle intrinsic to the federal architecture of the Indian Constitution**. Therefore, an examination of constitutional history reveals a deeply ingrained presence and legal acknowledgment of cooperative federalism.

⁵ GRANVILLE AUSTIN, *The Indian Constitution: Cornerstone of a Nation* 123–145 (Oxford Univ. Press 1999).

⁶ B.P. Pandey, *Fiscal Federalism in India: Challenges and Prospects*, 54 Econ. & Pol. Wkly. 34 (2019).

⁷ *Union of India v. Mohit Minerals Pvt. Ltd.*, (2022) 4 S.C.C. 321 (India).

⁸ INDIA CONST. art. 249.

⁹ INDIA CONST. art. 263.

The Assembly deliberately empowered the Central Government to a greater extent because they believed that a robust central authority was required to unite and align the interests of various states and provinces in a country with diverse populations and interests.

Simultaneously, the **Constituent Assembly ensured that States retained some autonomy**, such as the ability to levy their taxes to address specific needs. Consequently, while India does not fully embody a cooperative federal system, it operates under a quasi-federal governance structure. **For a federation to function smoothly, cooperation and collaboration are necessary.** However, it is equally crucial that the Centre respects the powers of the states and does not encroach upon them.

4.2 CONSTITUTIONAL PRINCIPLES AND INSTITUTIONAL PLATFORMS OF COOPERATIVE FEDERALISM

"Federalism is not a set of fixed institutions. It is a process, a continuing search for a harmonious balance between unity and diversity."

Although the Indian Constitution does not explicitly use the term "**cooperative federalism**," its structure clearly reflects principles of coordination and mutual interdependence between the Union, States, and local governments. According to **Article 1 of the Indian Constitution**, India is described as a '**Union of States**', signifying that the states are not incorporated into the nation through any agreement and do not possess the right to withdraw from it. While India is not labelled as a '**federation of states**', various other constitutional provisions and judicial interpretations **underscore the features of federalism, particularly cooperative federalism.**

It incorporates provisions that promote collaboration while balancing state autonomy with central authority, creating a governance system where multiple levels of government jointly address common challenges and pursue national development objectives. The Constitution offers a strong basis for cooperative federalism by integrating various institutional mechanisms for resource sharing, mutual trust, and coordination, guaranteeing that India's heterogeneous polity functions as a single unit.

The following provisions exemplify this collaborative ethos:

1) Division of Legislative Powers (Seventh Schedule, Article 246)¹²:

The Constitution distributes legislative powers through the Union, State, and Concurrent Lists, establishing a cooperative framework between distinct levels of government. The Union List confers exclusive authority on the Centre over matters such as defence and foreign affairs, whereas the State List empowers states to legislate on subjects like public health and agriculture, ensuring a balance between national interests and regional autonomy. Because overlapping jurisdictions need to be consulted to avoid conflicts, the Concurrent List, which covers topics like labour and education, requires cooperation between the two tiers of government. The **cooperative nature of this division is demonstrated by the Right to Education Act (2009)**, which is an example of how the Centre and the State coordinate to carry out a common educational mandate.

2) Unified Judicial System (Articles 124–147)¹³:

The establishment of an **integrated judiciary**, with the Supreme Court at its apex and High Courts operating at the state level, thereby ensuring the maintenance of a unified legal order governing both Union and State legislations.

This **institutional arrangement promotes cooperative governance by acting as an impartial adjudicatory mechanism** for Centre-State conflicts and by ensuring consistency in legal interpretation across jurisdictions. Notably, in ***Union of India v. Mohit Minerals* (2022)**, the Supreme Court **reaffirmed the cooperative essence of federal institutions** such as the GST Council, thereby highlighting the judiciary's pivotal role in reinforcing the **principles of cooperative federalism within the constitutional framework**.

3) All India Services (Article 312)¹⁴:

The All-India Services (AIS), which include the Indian Administrative Service (IAS) and the Indian Police Service (IPS), **serve as a vital institutional link between the Union and the States**. Officers of the IAS, although centrally recruited, are entrusted with responsibilities at both the central and state levels, thereby enabling effective coordination to facilitate policy alignment and implementation. Their **dual accountability fosters seamless coordination** and ensures uniform policy execution, as seen in the execution of national

¹⁰ State of Rajasthan v. Union of India, (1977) 3 S.C.C. 592 (India).

¹¹ M.P. JAIN, *Indian Constitutional Law* 212 (8th ed. LexisNexis 2022).

¹² INDIA CONST. arts. 124–147.

¹³ Kesavananda Bharati v. State of Kerala, (1973) 4 S.C.C. 225 (India).

programs like the Digital India initiative, where IAS officers play a strategic role in harmonizing central policy objectives with state-specific administrative needs.¹⁵

4) Inter-State Council (Article 263):

Envisioned as a forum for dialogue and dispute resolution, the **Inter-State Council is a cornerstone of cooperative federalism**. It provides an institutional forum for matters of shared concern, including interstate commerce, fiscal coordination, and equitable distribution of resources. However, despite its strategic importance, the Council has not fulfilled its full potential. Since its inception in 1990, it has convened only twelve times, indicating a significant gap in institutional engagement and highlighting the pressing need for its active revitalization to **strengthen cooperative federal governance**.¹⁶

5) Zonal Councils (State Reorganisation Act, 1956)¹⁷:

Zonal Councils, constituted to foster regional cooperation, function as institutional platforms for facilitating coordination among states grouped within specific geographical zones. These councils address matters of shared concern, including infrastructure development, economic growth, and internal security. **For example**, the Western Zonal Council, comprising states such as Maharashtra, Gujarat, and Goa, has actively engaged in deliberations on issues like coastal security and industrial connectivity. Similarly, the Northeastern Council, established under a separate legislative framework, plays a pivotal role in advancing developmental initiatives in the northeastern region, particularly in sectors such as hydropower generation and cross-border connectivity. **These bodies embody the principles of cooperative federalism** by harmonizing regional interests with broader national policy objectives.

6) Full Faith and Credit Clause (Article 261)¹⁸:

Article 261 of the Indian Constitution mandates the mutual recognition and enforceability of public acts, records, and judicial proceedings throughout the territory of India. This constitutional safeguard promotes intergovernmental trust and **strengthens institutional cooperation between the Centre and the States, as well as among the States themselves**. By ensuring that a judicial decree issued by a court in Kerala holds the same legal validity and is enforceable in a state such as Uttar Pradesh, Article 261 establishes a cohesive and integrated legal framework. Also creates a unified legal ecosystem, essential for sustaining **collaborative governance in a constitutionally pluralistic and culturally diverse federation like India**.

7) Fiscal Federalism (Part XII, Articles 268–293, 280)¹⁹:

The Constitution incorporates comprehensive financial provisions that **institutionalize cooperative federalism in matters of fiscal governance** and resource distribution. **Under Article 280, the Finance Commission** is constituted **every five years** to recommend the apportionment of tax revenues between the Union and the States, as well as to propose **grants-in-aid to address fiscal disparities**. **The 15th Finance Commission (2021–2026)**, for example, recommended **allocating 41% of the divisible central tax pool to the States**, thereby seeking to balance regional developmental requirements with the broader objectives of national economic stability.

Similarly, **the Goods and Services Tax (GST) Council**, established under **Article 279A**, stands as a cornerstone of **cooperative fiscal federalism**. Comprising representatives of both the Union and the States, it functions on a consensus-based decision-making model to determine GST rates, exemptions, and policies. The **implementation of the unified GST regime in 2017 exemplifies this collaborative approach**, as it harmonized India's indirect tax structure while simultaneously addressing concerns relating to **fiscal autonomy and revenue protection of the States**²⁰.

8) Local Governance (73rd and 74th Amendments, 1992)²¹:

The **73rd and 74th Constitutional Amendments marked a transformative shift in India's federal structure** by constitutionally recognizing **Panchayati Raj Institutions and Urban Local Bodies** as a **third**

¹⁴ S.R. Bommai v. Union of India, (1994) 3 S.C.C. 1 (India).

¹⁵ Sarkaria Commission Report, Gov't of India (1988).

¹⁶ Ministry of Home Affairs, *Zonal Councils: Objectives and Achievements Report* (Gov't of India 2021).

¹⁷ INDIA CONST. art. 261.

¹⁸ Finance Commission of India, *Report of the Fifteenth Finance Commission (2021–2026)*, Gov't of India (2020).

¹⁹ INDIA CONST. art. 279A.

²⁰ INDIA CONST. arts. 243–243O; arts. 243P–243ZG.

tier of governance. These amendments mandate the devolution of powers, responsibilities, and financial resources from the States to local governments, thereby institutionalizing grassroots democracy and reinforcing cooperative governance across multiple levels. This decentralization framework not only strengthens local self-governance but also complements the federal relationship between the Centre and the States. Initiatives such as the Smart Cities Mission exemplify the operationalization of **multi-tiered cooperative federalism**, wherein the Union, State, and municipal authorities collaborate to formulate and implement urban development policies in an integrated and coordinated manner.

9) Emergency Provisions and Safeguards (Articles 356, 360)²²:

Although the Constitution permits central intervention under emergency provisions, judicial scrutiny has functioned as a safeguard to uphold the federal balance. In *S.R. Bommai v. Union of India* (1994), the Supreme Court significantly curtailed the scope of the **arbitrary use of President's Rule under Article 356**. The Court held that the federal structure is a basic feature of the Constitution and that the **States are not merely administrative units of the Centre but possess autonomy within their constitutionally assigned domains**. By mandating judicial review of proclamations under Article 356 and emphasizing that such power cannot be exercised for political considerations, the *Bommai* judgment reinforced the principles of cooperative federalism, ensuring that national integrity is preserved while preventing central encroachment on State sovereignty.

10) NITI Aayog²³:

Established in 2015 as the **institutional successor to the erstwhile Planning Commission**, the **National Institution for Transforming India (NITI Aayog)** was conceived to advance the **principles of cooperative federalism through participatory policy formulation**. Its Governing Council, comprising the Chief Ministers of all States and the Lieutenant Governors of Union Territories, serves as an inclusive forum for collaborative decision-making and national development strategy. Unlike the centralized and directive approach of the Planning Commission, NITI Aayog emphasizes a **bottom-up model of governance** that actively incorporates state-specific priorities. This is exemplified by initiatives such as the Aspirational Districts Programme, wherein tailored developmental interventions are implemented through coordinated efforts between the Union and State governments, **thereby reinforcing cooperative federalism in practice**.

11) Centrally Sponsored Schemes (CSS)²⁴:

Centrally Sponsored Schemes (CSS), which are financed wholly or partly by the Union Government and implemented by State Governments, **serve as practical manifestations of cooperative federalism**. Flagship initiatives such as the **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)**, which guarantees 100 days of wage employment to rural households, and the **Pradhan Mantri Gram Sadak Yojana (PMGSY)**, aimed at enhancing rural road infrastructure, rely on shared fiscal and administrative responsibilities between the Centre and the States. Similarly, the Swachh Bharat Mission, launched in 2014, demonstrated the effectiveness of multi-tier collaboration, achieving over 90 per cent open-defecation-free status in rural India by 2019 through coordinated action among central, state, and local authorities. However, the implementation of these schemes has also highlighted certain tensions, as centrally prescribed guidelines can at times constrain state flexibility, sparking debates over fiscal autonomy. This underscores the necessity for greater intergovernmental consultation and collaborative policy design to ensure that **CSS truly advance the objectives of cooperative federalism**.

12) Inter-State Water Dispute Resolution Mechanism (Article 262)²⁵:

Inter-state disputes over shared water resources, such as those involving the Cauvery and Godavari River basins, underscore the critical **importance of cooperative frameworks in natural resource management**. The Constitution empowers the Union Government to constitute tribunals and facilitate dispute resolution under **Article 262**, reflecting a role that balances cooperation with regulatory oversight. The formation of the **Cauvery Water Management Authority in 2018**, following extensive judicial intervention and decades of

²¹ INDIA CONST. arts. 356, 360.

²² NITI Aayog, Establishment Resolution, Cabinet Secretariat, Gov't of India (Jan. 1, 2015).

²³ Ministry of Rural Development, *MGNREGA Annual Report*, Gov't of India (2022).

²⁴ Inter-State River Water Disputes Act, No. 33 of 1956 (India).

²⁵ INDIA CONST. arts. 155, 200, 356.

inter-state conflict, exemplifies the collaborative implementation of tribunal decisions through coordinated efforts between the Centre and the States. Nonetheless, persistent delays, political contestations, and challenges in enforcement highlight the inherent complexities of cooperative federalism in the sphere of resource governance.

13) Governor's Role (Article 155)²⁶:

Under Article 155, the President appoints the Governor to serve as the **constitutional head of a state** and a crucial link between the Union and the State, for fostering cooperative federalism. By acting as a liaison, conveying the state's concerns to the Centre, communicating matters of national importance to the state, and ideally, **fostering harmony between the two levels of government**. The Governor's success in promoting cooperative federalism depends on their ability to act impartially and facilitate collaboration, despite the ongoing debate and criticism regarding their central appointment and potential political bias. Their responsibilities, including granting assent to state legislation under Article 200 on "aid and advice" of the **State Council Ministers** and submitting reports to the President under Article 356, are designed to facilitate constitutional dialogue and ensure adherence to national legal norms. However, the office of the Governor has also been a source of contention. Instances such as the prolonged delay in **granting assent to bills in Tamil Nadu in 2023** illustrate how the exercise of **gubernatorial discretion** may give rise to political friction, thereby undermining the **collaborative federal structure envisioned by the Constitution**.

14) Finance Commission (Article 280)²⁷:

The Finance Commission, **constituted every five years** under Article 280 of the Constitution, **serves as a cornerstone of cooperative fiscal federalism** by recommending the distribution of central tax revenues and grants-in-aid to the States. The **15th Finance Commission (2020–2025)** recommended that 41 per cent of the divisible central tax pool be devolved to the States, along with an allocation of ₹1.92 lakh crore for local bodies. These measures were designed to strengthen fiscal decentralization and ensure effective resource availability across **multiple tiers of governance**.

By striving to balance fiscal equity with the varying developmental needs of States, the Finance Commission plays a vital role in reinforcing trust and promoting collaboration within the Centre-State financial framework.

15) National Development Council (NDC)²⁸:

Although the **National Development Council (NDC)** has seen a decline in its activity in recent years, it historically functioned as a critical platform for collaborative economic planning and policy formulation in India. Consisting of the Prime Minister, Union Cabinet Ministers, and Chief Ministers of all States, the NDC was instrumental in deliberating and approving Five-Year Plans, thereby ensuring that national development strategies incorporated state-level perspectives. While its formal role has diminished following the establishment of NITI Aayog, the NDC's legacy continues to shape contemporary mechanisms of intergovernmental consultation. This enduring influence underscores the importance of institutionalized dialogue in advancing the principles of cooperative federalism.

16) Crisis Management Frameworks²⁹:

Regular institutional consultations between the Union and State governments, particularly during emergencies, **illustrate the practical functioning of cooperative federalism**. The **National Disaster Management Authority (NDMA)**, constituted under the Disaster Management Act, 2005, plays a central role in coordinating disaster response through collaborative mechanisms involving both levels of government. For instance, during the 2013 Uttarakhand floods, coordinated action between the NDMA and state authorities facilitated effective relief and rehabilitation measures, demonstrating intergovernmental cooperation in crisis management. Similarly, during the **COVID-19 pandemic**, repeated consultations between the Prime Minister and Chief Ministers, along with central financial assistance amounting to approximately ₹1.5 lakh crore, reflected a unified national response. However, subsequent disagreements over vaccine procurement and

²⁶Finance Commission of India, *Report of the Fifteenth Finance Commission (2021–2025)*, Gov't of India (2020).

²⁷Planning Commission, *Resolution Establishing the National Development Council*, Gov't of India (1952).

²⁸Disaster Management Act, No. 53 of 2005 (India).

²⁹INDIA CONST. arts. 301–307; Ministry of Commerce & Industry, *National Logistics Policy*, Gov't of India (2022).

distribution highlighted underlying challenges, emphasizing the need for stronger institutional frameworks to ensure sustained cooperation during national emergencies.

17) **Inter-State Trade and Commerce Mechanisms (Articles 301–307)³⁰:** The constitutional mandate for the free flow of trade, commerce, and intercourse throughout the territory of India promotes economic integration and reinforces the principle of cooperative federalism. In alignment with these provisions, the **National Logistics Policy (2022)** has been implemented through coordinated efforts between the Union and State governments to optimise inter-state supply chains and improve logistical efficiency. Collaborative initiatives—such as the development of logistics hubs by states including Gujarat and Maharashtra—demonstrate how **cooperative mechanisms** facilitate economic growth, enhance competitiveness, and contribute to a unified national market. These efforts underscore the evolving role of cooperative federalism in advancing India's economic governance framework.

4.3 Challenges of Implementing the Model of Cooperative Federalism

The adoption of a model of cooperative federalism, which aims to stitch together a common market without Centre and State tussle and is eyed to boost political, social, and economic confidence in a country, cannot certainly be without hurdles and barriers. These challenges are also due to India not being completely federal or unitary and so there is always the scope of dominance by the Centre over the States.

Several such challenges include – The widening trust deficit and the shrinkage of the divisible pool have plagued the Centre-State relation and have made cooperation among them difficult. On paper Centre has made provisions to share the resources, but States are getting a lesser share. The allocation towards various social welfare schemes has also come down, affecting the state's health.

The socio-economic parameters and development of every State are different; few have made substantial progress, while others are lagging. There are States and backward regions under debt, which should not be treated at par with other well-off States. This is the reason States such as West Bengal, Bihar, Orissa, and Assam have protested the unvarying method and a uniform approach of the government in finding the States. Such States cannot participate in cooperative federalism if there is a lack of special funding.

4.4 Contemporary Debates: From Cooperative to Coercive Federalism

Recent studies have argued that India is shifting from cooperative to coercive federalism. The centre's actions during the COVID-19 pandemic, unilateral decisions on agricultural laws (later repealed due to state opposition), and disputes over GST compensation reflect growing tensions. **Scholars such as Niranjan Sahoo and Sujit Choudhry** assert that states are compelled to negotiate not as equal partners, but as entities seeking concessions from a dominant centre.

4.5 Contemporary Examples of Coercive Federalism

Example	State Role	Centre Role	Outcome / Insight
COVID-19 lockdowns	Implementation & minor flexibility	Central directives	Limited autonomy, negotiation constrained
GST compensation delays	Demanded timely payments	Delayed payments; fiscal pressure	Negotiation under compulsion
Farm Laws 2020–21	Resistance & negotiation	Central legislation	Repealed due to political pressure
President's Rule (Arunachal Pradesh 2016)	Dismissal of the elected government	Centre invoked Article 356	Judicial review limited arbitrariness

³⁰ Niranjan Sahoo, Cooperative Federalism in India: A Critical Assessment, 45 J. Fed. Stud. 87 (2021).

4.6 Demand for Greater Autonomy for the States

The framers of the Indian Constitution were deeply conscious of the need to preserve national unity and integrity in the face of internal challenges prevalent at the time of independence. To safeguard against potential threats of fragmentation, they vested significant authority in the central government. Simultaneously, they incorporated mechanisms to foster cooperative federalism between the Centre and the states.

State autonomy refers to the capacity of states to independently manage certain affairs and exercise powers without excessive central intervention. Such autonomy is essential for promoting regional development, strengthening local governance, and ensuring political and social inclusion.

4.7 Significance of State Autonomy:

- 1) Contributes to the generation of the regional development and self-management.
- 2) Promotes the spirit of democracy and accountability in the given society.
- 3) Encourages innovation and, at the same time, policy testing.
- 4) Holds regional variation and desire in superior regard.

Some of the practical illustrations of state autonomy are as follows:

- 1) Attempts by states at achieving an economic, social, and infrastructural model of development (Kerala model of health care, Gujarat model of industrialization)
- 2) Endangered dialects and traditions of a specific area
- 3) State enactments (for instance, prohibition in Tamil Nadu, reservation policies in Bihar).
- 4) National calamities overseen by the States (like Kerala floods and Odisha cyclone)

Therefore, State autonomy is a vital component of the Indian structure because it gives states the ability to address the regional concerns. Discussions regarding the sovereignty of states also envisage the approach toward communication of national integrity with the problem of the existence of autonomous decision-making space.

4.8 JUDICIAL TREND TOWARDS FEDERALISM OVER THE YEARS

The Judiciary has used numerous phrases and given various judgments to describe the concept of Cooperative federalism.

1. S.R. Bommai v. Union of India (1994) 3 SCC 1, the phrase **pragmatic federalism** was used. **Justice Ahmadi** mentioned that it seems the Indian Constitution not only has features of pragmatic federalism, but while distributing legislative powers and indicating spheres of governmental powers of both State and Centre, it is overlaid by **strong unitary features**. The nine-judge bench enunciated that the Constitution provides more power to the Central government, but the **State is also supreme within its sphere**. The constitution is more appropriately described as quasi-federal, leaning more towards the Union, thus supporting the model of **cooperative federalism**.

2. UCO Bank v. Dipak Debbarma (2017) 2 SCC 585, it was held that the federal structure under the Constitutional scheme can work to nullify an incidental encroachment made by the Parliamentary legislation on a state subject where State legislation holds dominance. This was asserted to keep the previously mentioned constitutional balance intact and provide for a limited operation to the doctrine of federal supremacy.

3. State of Rajasthan v. Union of India (1977) 3 SCC 592, Granville Austin's saying was quoted. He reiterated that the Constitution of India was the first constituent body to embrace from the very beginning what A.H. Birch and others have called cooperative federalism. Chief Justice Beg has called the Indian Constitution amphibian, which means that it creates a Central government which is "**hybrid**" or "**amphibian**," i.e., it can choose to be on a federal or unitary plane according to the situation and circumstances of a case.

4. Government of NCT of Delhi v. Union of India (2018 & 2023), observed the "constitutional statesmanship between the two levels of governance." Both governments ought to ensure there is political maturity and administrative experience while resolving disputes. The constitutional vision beckons Central and State governments alike with the aim of having a holistic edifice. It was observed that the Union and the State must embrace a collaborative federal architecture, which is possible by displaying harmonious coexistence and interdependence, which is the essence of the model of cooperative federalism. This is important to avoid possible constitutional discord, hold the constitutional essence, and to let pragmatic federalism see the light of day.

5. Union of India and Anr v. M/s Mohit Minerals Through Director (2022): This case introduced the concept of "uncooperative federalism," where the Court held that the recommendations of the GST Council are not binding on the Centre and States, and that political contestation between Centre and States furthers both democracy and federalism.

6. In Jaora Sugar Mills v. State of Madhya Pradesh, the Supreme Court provided a significant illustration of Centre-State cooperation within the federal framework. The State of Madhya Pradesh enacted the *Madhya Pradesh Sugarcane (Regulation of Supply and Purchase) Act, 1958*, which imposed a sugarcane cess under its provisions. The appellants challenged the Act's constitutional validity, arguing that it amounted to "colourable legislation." Although the High Court had already dismissed their plea, the matter was taken to the Supreme Court. The Court upheld the Act, affirming its constitutional validity, even though its underlying objective was subject to debate. This case reaffirmed the legislative competence of the state and highlighted the judiciary's role in maintaining federal balance.

These cases decided over the years show how the trajectory of federalism in India has changed. Earlier, it mainly focused on the predominance of the Centre over the States, but with strong State parties coming into force and their contribution towards their states' development as well as the adherence and collaboration with the Centre, has given an impetus towards the development of the model of cooperative federalism.

4. Conclusion

5.1 Summary of Key Findings

The constitutional framework and its implementation show that cooperative federalism in India is partially achieved, not fully realised. The distribution of powers, state participation in law and policymaking, and institutions such as the Inter-State Council, Zonal Councils, and NITI Aayog reflect attempts toward cooperation. However, the imbalance of power favouring the Centre, along with political and regional differences among states, continues to obstruct the effective functioning of true cooperative federalism.

4.2 Recommendations to Strengthen Cooperative Federalism

In a country as diverse as India, where regional interests frequently diverge, it is essential that state governments are actively incentivized to participate in policymaking, governance, and dispute-resolution mechanisms to secure consensual and effective outcomes. The Sarkaria Commission and the Punchhi Commission on Centre-State relations have put forth significant recommendations aimed at strengthening cooperative federalism, offering practical measures for improving intergovernmental coordination. They further emphasized that specific constitutional amendments may be necessary to enhance the operational realization of true federal principles.

To list a few:

1. Make Governor's post neutral and clearly define removal process.
2. Limit misuse of Article 356 (President's Rule).
3. Give Inter-State Council actual powers, not just advisory role.
4. Set rules to stop misuse of President's veto power.
5. Consult states before signing international agreements.

5.3 Notable suggestions to keep up with the model of cooperative federalism.

1. The reactivation of inter-state and Centre- State councils under **Article 263**, which shall provide a forum to inquire and advise on disputes.
2. Give greater autonomy to States regarding subjects of the Concurrent List.
3. Further steps to be taken by NITI Aayog towards micro-resource allocation and effective utilization, which shall lend legitimacy to cooperative federalism.
4. To bring competition, the Centre should cooperate with the States by providing necessary autonomy in their policy making and allocate them the required funds to spend based on their own priorities, and States, to promote best practices on issues concerning land, labour, etc.
5. The GST structure needs an overhaul for revenue enhancement. For this, the Union can reaffirm its commitment to the cooperative and consultative principles of federalism by reforming the functioning of the GST Council. Moreover, it must be transparent regarding the current macro-economic scenario through an honest appraisal, which revisits revenue projection and offers a strategic pathway for consultation with States through a special session between the Union and State Finance Ministers.

4.3 Conclusion

Over 78 years, India has demonstrated remarkable success in integrating diverse regions, empowering local bodies, and fostering cooperative governance despite its initially centralized design. However, challenges such as fiscal imbalances, political centralization, and inter-state tensions continue to threaten the federal spirit. Moving forward, reforms like strengthening institutions of dialogue, ensuring fiscal autonomy, depoliticizing

the Governor's role, and respecting cultural pluralism are critical. A robust, **cooperative, and flexible federal structure remains essential to sustain India's democratic vibrancy and socio-economic progress.**

India's federalism embodies a delicate balance between unity and diversity. While the Constitution envisages **cooperative federalism**, practical realities reflect **central dominance**, fiscal dependence, and politically asymmetric negotiations. The evolution of coercive federalism threatens the principle of equal partnership between the Union and the States. Strengthening institutional authority, fiscal independence, and political equality is essential to ensuring that cooperative federalism is substantive, not merely procedural.

This research contributes to understanding the **gaps between constitutional ideals and governance practices**, highlighting the urgent need for reforms to preserve India's federal spirit and promote equitable centre-state relations.

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