



The Changing Dynamics of Indian Federalism: Reassessing Centre-State Relations in the Post-2014 Political Landscape

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Abstract

Indian federalism, constitutionally envisioned as a balance between the Union and the states, has undergone significant transformations since independence. The post-2014 period, marked by the dominance of a single national party and the assertion of strong executive leadership at the Centre, has reignited debates around the erosion of cooperative federalism and the rise of centralisation. This paper critically examines the evolving nature of Centre-State relations in India after 2014, using key political, legislative, and fiscal developments to argue that while the rhetoric of cooperative federalism remains, the practice increasingly reflects asymmetrical and coercive tendencies. The paper also explores how states have responded through strategic assertion, inter-state alliances, and judicial recourse, indicating a dynamic process of federal negotiation rather than its outright demise.

Keywords: *Indian Federalism, Centre-State Relations, Cooperative Federalism, Centralisation, Post-2014 Politics, Fiscal Federalism, Intergovernmental Tensions*

Introduction

Federalism in India is often described as "quasi-federal" due to the dominance of the Centre in constitutional provisions, especially during emergencies (K.C. Wheare, 1953). However, over the decades, particularly with the rise of coalition politics in the 1990s, a more balanced federal architecture emerged, often labeled as cooperative or bargaining federalism (Arora, 2003). The 2014 general elections, resulting in a parliamentary majority for the Bharatiya Janata Party (BJP), marked a decisive shift. This shift not only altered party dynamics but also reshaped federal interactions in ways that demand scholarly attention.

This paper examines the transformation of Indian federalism post-2014, focusing on three dimensions: political centralisation, fiscal realignments, and institutional interventions. It concludes by assessing whether these changes reflect a structural crisis in federalism or a reconfiguration within the permissible constitutional framework.



Theoretical Framework

Federalism, in essence, is a constitutional mechanism to distribute power between different levels of government. It requires institutional autonomy, functional interdependence, and mutual respect between units (Elazar, 1987). Indian federalism, though not born from an agreement between independent units, has evolved to incorporate multiple traditions: competitive federalism, cooperative federalism, and asymmetrical federalism (Singh, 2013).

Post-2014 politics should be evaluated within this framework, particularly regarding the rise of ‘executive federalism’, where interactions are increasingly driven by the Centre’s executive decisions rather than deliberative legislative mechanisms. The notion of executive federalism emphasizes the growing role of the central executive in shaping the federal discourse, often bypassing institutional checks and balances that were previously crucial in maintaining the equilibrium between the Centre and states.

I. Political Centralisation: Strong Centre, Weakening States?

1.1. The Mandate of 2014 and 2019

The BJP’s parliamentary majority in 2014 and its even stronger mandate in 2019 ended the era of compulsions of coalition politics. This electoral dominance at the Centre allowed for a decisive shift in the federal narrative—from negotiation to assertion. State governments ruled by opposition parties found themselves sidelined in decision-making processes.

The 2014 and 2019 elections reflected a growing centralisation in the political sphere. Under the leadership of Prime Minister Narendra Modi, the Centre gained unprecedented control over national political discourse, leaving limited space for regional and state concerns to shape policy decisions. This shift was not only political but also symbolic—centered around the personality of the Prime Minister and his dominance in national politics.

One notable example of this centralisation was the implementation of major policies, such as demonetisation in 2016 and the controversial revocation of Article 370 in Jammu and Kashmir in 2019, with little consultation with state governments. In both instances, the absence of intergovernmental dialogue signified the decline of cooperative federalism, as states, irrespective of political affiliation, were excluded from the decision-making process.



1.2. Decline of the Inter-State Council

The Inter-State Council, created under Article 263 of the Constitution to promote consultation and coordination between the Centre and states, has been convened only once (in 2016) post-

2014. This decline reflects the sidelining of institutional mechanisms designed for cooperative engagement. As an important body for addressing disputes and coordinating policies between the Centre and states, the failure to convene this Council regularly highlights the growing imbalance in Centre-State relations.

The Inter-State Council has traditionally played a vital role in resolving intergovernmental disputes and ensuring that states are adequately represented in the national policy-making process. However, post-2014, the Centre has increasingly bypassed this forum in favor of direct executive action, reflecting a centralising tendency that undermines the consultative process envisaged by the Constitution.

1.3. Partisan Federalism

States ruled by opposition parties have repeatedly alleged discrimination in resource allocation, central schemes, and appointments. For instance, Kerala and West Bengal have raised concerns about being kept out of NITI Aayog consultations or denied funds for centrally sponsored schemes, showcasing partisan interference in federal functions (Choudhury, 2021). This partisanship in federal relations is also reflected in the misuse of central agencies like the Enforcement Directorate (ED) and the Central Bureau of Investigation (CBI), which have been accused of targeting opposition-run state governments.

The shift towards partisan federalism has intensified political divisions and increased tensions between the Centre and states, particularly when opposition parties control regional governments. States have consistently raised concerns about the politicisation of governance at the Centre, where decisions often appear to be influenced by electoral considerations rather than national or regional interests.

II. Fiscal Federalism: Shifting Patterns and Concerns

2.1. Abolition of the Planning Commission

The abolition of the Planning Commission in 2014 and the creation of the NITI Aayog were projected as efforts to enhance cooperative federalism. However, while NITI Aayog provides a platform for dialogue, it lacks financial allocation powers, weakening the states' ability to bargain for resources.



The Planning Commission had long served as a crucial institution for managing intergovernmental fiscal relations, determining the allocation of resources for state development. Its abolition and replacement by the NITI Aayog, a think tank with no financial mandate, has been viewed by many state governments as a shift towards centralised decisionmaking. The NITI Aayog's role in policy formulation and coordination is advisory, and without financial powers, it cannot provide states with the necessary resources to implement national schemes.

2.2. The 15th Finance Commission

The terms of reference for the 15th Finance Commission included controversial clauses such as using 2011 census data and rewarding performance-based outcomes. Southern states— especially Kerala, Tamil Nadu, and Karnataka—criticised this move as discriminatory since their population control efforts would lead to a reduction in fiscal transfers.

The Finance Commission plays a critical role in determining the distribution of central resources among the states. The 15th Finance Commission's decision to base fiscal transfers on the 2011 census was contentious, as it penalised states with lower growth rates and better population control. States like Tamil Nadu, Kerala, and Andhra Pradesh, which had made significant strides in controlling their population, found themselves at a disadvantage compared to states with higher population growth. This move exacerbated regional disparities and raised questions about the fairness of the fiscal transfer system.

2.3. GST and Revenue Autonomy

The introduction of the Goods and Services Tax (GST) in 2017 is arguably the most significant fiscal federal reform in recent decades. While it created a uniform tax structure, it also meant that states surrendered their taxation powers. The functioning of the GST Council, though initially consensual, has increasingly witnessed majoritarian tendencies. States have also raised concerns over delayed compensation payments, especially during the COVID-19 pandemic.

GST, while designed to promote a common market and simplify the tax system, has led to concerns about states' loss of fiscal autonomy. States now depend on the Centre for revenue generation and distribution. The GST Council, initially seen as a platform for cooperative federalism, has become increasingly dominated by the Centre, with decisions often made through majority voting, sidelining states' interests.



III. Institutional Interventions and Constitutional Questions

3.1. Role of the Governor

The office of the Governor has long been a site of Centre-State conflict. Post-2014, instances of Governors allegedly acting as agents of the Centre have increased. Examples include the delay in government formation in Maharashtra (2019), the removal of an elected government in Arunachal Pradesh (2016), and tensions in Tamil Nadu over pending bills.

Governors, who are appointed by the President of India, have often been accused of acting in accordance with the Centre's directives rather than as impartial arbiters of constitutional principles. This has led to tensions between state governments and the Centre, as state leaders contend that Governors are being used to undermine elected state governments.

3.2. Legislative Centralisation

Several legislations of national importance have been passed with minimal state consultation. The three Farm Laws (2020), which were later repealed, are a notable example. Agriculture is a state subject, yet the Centre unilaterally legislated on it. This not only triggered protests but also challenged the constitutional division of powers.

The enactment of the Farm Laws illustrated the Centre's growing tendency to legislate on matters traditionally under the states' jurisdiction. This raised questions about the legal and constitutional limits of the Centre's power, as state governments argued that the laws infringed upon their rights to regulate agriculture and agricultural markets.

3.3. Judiciary as Federal Arbiter

With institutional mechanisms weakening, the judiciary has emerged as the primary forum for resolving Centre-State disputes. States have approached the Supreme Court over issues ranging from GST compensation to the extension of ED/CBI jurisdiction. However, judicial pronouncements have often been ambiguous, reflecting the complexity of federal adjudication.

The judiciary has played a crucial role in resolving disputes between the Centre and states. However, the Court's role as a federal arbiter has been challenged by the increasing politicisation of judicial appointments and the tendency of the judiciary to avoid taking a clear stance on certain contentious issues, such as the limits of executive power in federal governance.



IV. Resistance and Assertion by States

Despite growing centralisation, states have not remained passive. Federalism in India operates as a dynamic negotiation, not a fixed architecture. Some notable responses include:

Inter-state Alliances:

Chief Ministers' meetings outside formal frameworks (e.g., Mamata Banerjee, Pinarayi Vijayan, and M.K. Stalin coordinating responses).

States like West Bengal, Kerala, and Tamil Nadu have initiated informal inter-state alliances to counter the Centre's policies. These alliances have focused on issues ranging from the implementation of national schemes to protecting the rights of states over their own resources.

Legislative Resistance:

Punjab, Kerala, and Chhattisgarh passed state-level resolutions against central laws like CAA and farm laws.

States have used their legislative powers to resist central policies, often passing resolutions to safeguard their rights and interests. The passage of resolutions against controversial central laws by state assemblies highlights the resilience of Indian federalism.

Judicial Engagement:

States are increasingly approaching the courts to safeguard their constitutional and fiscal rights.

The growing trend of states approaching the judiciary to resolve disputes reflects the declining effectiveness of other institutional mechanisms for addressing Centre-State conflicts. Judicial engagement has become an essential tool for states to assert their rights in the face of centralisation.

Discussion: Cooperative vs. Coercive Federalism

While the rhetoric of "Team India" and "Sabka Saath, Sabka Vikas" suggested a move towards cooperative federalism, the practice suggests a tilt toward coercive federalism. However, this centralisation is not unprecedented. Even in the Nehruvian era, the Centre was dominant. What is different now is the centralised assertion despite constitutional decentralisation mechanisms being available.

The deeper issue lies in the declining respect for the spirit of federalism. Constitutional provisions, though centralised, allow for cooperative implementation. The shift, therefore,



is not just institutional but ideological—federalism is now seen by some as a hurdle to national uniformity rather than a platform for regional accommodation.

Conclusion

The post-2014 era has marked a significant shift in Centre-State relations in India, characterised by a trend toward centralisation, executive dominance, and the weakening of institutional federal mechanisms. However, federalism in India has not collapsed; it is undergoing re-negotiation. States continue to assert their autonomy, both politically and judicially, keeping alive the federal spirit.

A robust federal polity requires more than constitutional safeguards—it needs political commitment, institutional integrity, and cooperative practices. The future of Indian federalism depends on recalibrating this balance, not merely through rhetoric, but through institutional respect, fiscal fairness, and participatory governance.

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