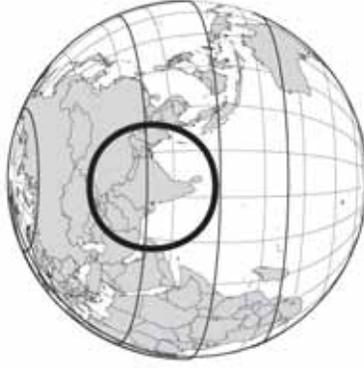


Republic of India

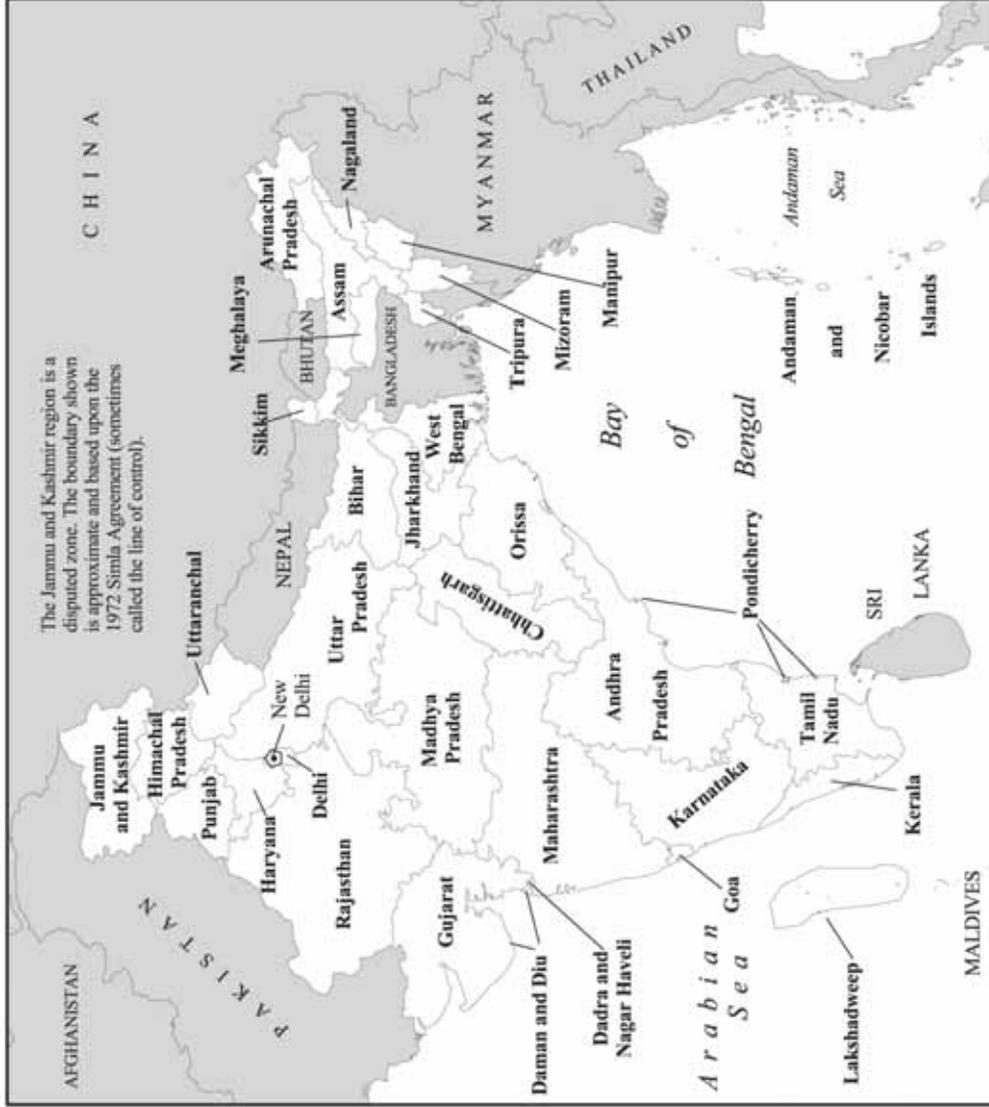
Capital: New Delhi

Population: 1 Billion
(2002)

Boundaries and place names are representative only and do not imply any official endorsement.



Sources: Times Atlas of the World; ESRI Ltd.;
CIA World Factbook



India

(Republic of India)

GEORGE MATHEW

1 HISTORY AND DEVELOPMENT OF FEDERALISM

India covers an area of 3.28 million square kilometres. With a population of 1,048 million (2002), India is a country of a wide range of ethnic backgrounds, languages and cultures. It has 28 states and seven union territories (UTS) (including Delhi, the National Capital Territory), which differ greatly in terms of their natural resources, administrative capacity and economic performance. The country continues to have a high concentration of poverty. According to estimates in 1999–2000 there are 260 million (26 per cent of the total population) people below the poverty line. In 2000–01, however, India was able to achieve a GDP growth rate of six per cent.

In 1858 the British Crown took over administration of India after a century of colonial rule by the British East India Company. A highly centralized form of government was established in which legislative, executive and financial powers rested with the Governor-General who functioned as the agent of the British government. Difficulty in exercising centralized rule led to a devolution of powers that was accomplished via the *Councils Act of 1861* and later, by the *Minto-Morley Act of 1909*. Provincial autonomy came into being with the *Montague-Chelmsford Act of 1919* which provided for the introduction of the principle of responsible government in the provinces, although only for certain subjects.

During this period, the British government was mainly interested in containing Indian nationalism and affirming British suzerainty. The

Simon Commission Report of 1930, Round Table Conferences and finally the *Government of India Act, 1935*, were all attempts to do this. The *Government of India Act* was a watershed in the present federal structure. It provided for a federation by taking the provinces of British India and the Indian states ruled by kings (known as princely states) as units. It was left to the princely states whether to join the federation or not, and when their consent was not forthcoming, the federation did not take effect as planned.

The 1935 Act divided legislative powers between the provincial and central legislatures and within their defined sphere, the provinces were autonomous units of administration with restricted powers. To this extent, the government of India assumed the role of a federal government vis-à-vis the provincial governments, although without the princely states. The arrangement came to an end with the Second World War.

India achieved independence on 15 August 1947. The constitution was adopted by the Constituent Assembly on 26 November 1949 and came into force on 26 January 1950. The constitution envisaged a strong centre. The 14 states and six union territories were divided according to the historical context in which they were governed and administered.

In 1955 a “States Reorganisation Commission” was established. It was proposed that there be a territorial re-organization based on the following principles: preservation and strengthening of the unity and security of India; linguistic and cultural homogeneity; and financial, economic and administration considerations. The linguistic factor – because language corresponds with socio-cultural identity – was uppermost in determining the re-organization of the constituent units. It was thought that the resulting *1956 States Reorganisation Act*, which re-organized the states primarily on the basis of the languages spoken in the area, might provide the solution to multifarious problems like economic inequalities, lopsided development, and the domination of certain castes or classes. Since 1956, there have been several further adjustments to the states, the most recent being the creation in November 2000 in the northeast of three new small states – Chattisgarh, Jharkhand and Uttaranchal – carved out of existing states.

At the time the constitution was written the predominant concern of the founding fathers was preservation of the unity and integrity of India, which had more than 600 varied princely states plus the provinces of British India at the time of independence. Nowhere in the constitution is the word “federal” mentioned – indeed, the constitution says India is a “Union of States” and it envisaged a strong centre. B.R. Ambedkar, the architect of the Indian constitution, has said that the

use of the word “Union” was deliberate. The drafting committee wanted to make it clear that although India was to be a federation, it was not the result of an agreement initiated by the constituent states.

During normal times India functions as a federation but it can be – and has been – transformed into a unitary state during extraordinary circumstances.

2 CONSTITUTIONAL PROVISIONS RELATING TO FEDERALISM

India is a federal republic with a parliamentary system. It consists of 28 constituent units – three of which, as mentioned above, have only recently been created. The federal Parliament is bicameral, consisting of the Rajya Sabha, or House of States (upper house), and the Lok Sabha, or the House of the People (lower house).

Scholars studying India over the last 50 years have described the Indian political system as a federation without federalism, and variously referred to its federalism as cooperative, executive, emergent, responsible, parliamentary, populist, legislative, competitive, fiscal, restructured, reluctant, or “quasi.” Whatever it may be, the federal element has been an underlying principle of the Indian polity, despite several attempts by the centre to usurp the powers and jurisdiction of the states by parliamentary legislation.

There are several provisions of the constitution that permit the centre to infringe on state rights. First, under Article 249, if the Rajya Sabha (the upper house of Parliament) declares, by a resolution supported by two-thirds of members present and voting, for the sake of expediency and national interest, that Parliament should make laws with respect to any matter enumerated in the State List, it could do so. Such a resolution remains valid for a year and can be extended for another year by a subsequent resolution.

The Seventh Schedule of the constitution outlines the duties and division of powers between the Union government and governments of the states. There is a Union List consisting of 97 items, and State and Concurrent Lists with 66 and 47 items respectively. Some of the important items on the Union List pertain to defence, atomic energy, diplomatic-consular and trade representation, citizenship, extradition, inter-state trade and commerce, audits, currency-coinage and legal tender, and foreign exchange. The State List includes, among other things, public order, local government, public health and sanitation, communications, agriculture, fisheries, trade and commerce within the state, taxation and police. Criminal law, forests, economic and social planning, trade unions, education, and preventive detention are

some of the important items in the Concurrent List. Over the years, the lists have been subjected to constitutional amendments in favour of the central government.

The second constitutional provision that allows the centre to infringe on state rights is Article 250. According to this article, Parliament is empowered to make laws on any item included in the State List for the whole or any part of India while an “emergency” has been proclaimed. (According to Article 352, the central government also has the power to determine when an emergency exists. An emergency under Article 352 was declared in: October 1962 (Sino-Indian conflict), revoked in 1968; December 1971 (war with Pakistan), revoked March 1977.) Making use of Article 250, Parliament has taken away five items from the State List, added five to the Concurrent List and added three to the Union List. Thus, for example, the *Constitution (Third Amendment) Act, 1954*, amended the Seventh Schedule, and the scope of items in the Concurrent List was widened. This related to trade and commerce, production, supply and distribution of industrial products, foodstuffs, cattle-fodder and cotton. With the *Constitution (Sixth Amendment) Act, 1956*, the Union Government was authorized to tax a broader range of inter-state trade in goods. The *Constitution (Forty-sixth Amendment) Act, 1982* gave the Union the power to tax consignments in inter-state trade and commerce. The *Constitution (Forty-second Amendment) Act, 1976* made far-reaching changes in the Seventh Schedule, moving items pertaining to education, forests, protection of wildlife, weights, measures and standards from the State List to the Concurrent List. Most importantly, the amendment gave the Union the power to deploy its forces in any of the states, while at the same time retaining control over the armed forces. This reduced the control of the concerned state governments over the armed forces which are deployed.

The third provision which allows the centre to intervene in state jurisdiction is Article 356. Under this article, “President’s rule” (by which the central government can directly take over the government of a state) has been imposed over states more than 100 times since 1950. This has given rise to severe criticism as it violates the federal character of India, and in 1994 the Supreme Court of India ruled that the power of the central government, under Article 356, to remove a state government from office was not an absolute but a conditional power.

An amendment to the Indian constitution can be done in three ways. First, those provisions of the constitution which are “not to be deemed to be amended by the Constitution” can be altered by Parliament by a simple majority. Second, in other cases, a bill has to be introduced in either House of Parliament and passed in each House by a

majority of the total membership of that House and by a majority of not less than two-thirds of the members of that House present and voting. On getting the President's assent the constitution stands amended. And, third, in the case of provisions which affect the federal structure of the country, a ratification by the legislature of at least half of the states must be obtained after the procedure mentioned in the second case above before the bill is presented to the President for his assent.

Relations between the central government and the states have often been problematic, so a statutory body to deal with inter-state relations was created – the Inter-State Council. Article 263 of the constitution states that if at any time it appears to the President that the public interest would be served, he can establish a Council and define the nature of its duties. In general, the Council is charged with: (a) inquiring into and advising upon disputes which may have arisen between states; (b) investigating and discussing subjects in which some or all of the states, or the Union and one or more of the states, have a common interest; and (c) making recommendations, in particular, recommendations for the better coordination of policy and action with respect to a subject under dispute.

The Supreme Court of India is the guardian of the Indian constitution (Article 124). Presently, the Supreme Court consists of a Chief Justice and 25 judges who are appointed by the President. It is the final arbiter in disputes between the states, and between the Union and the states. It has been observed that the jurisdiction and powers of the Supreme Court of India are wider in their nature and extent than those exercised by the highest court in other countries.

The taxation powers of the Union and the states have been separated. The Union List contains 12 items of taxation, and the State List contains 19 items. The urban and rural local bodies also have powers of taxation. In financial matters, it may be said that the general tendency has been in favour of centralization, thus making the central government more powerful. Developments of the last 40 years show that economic institutions and trends have tended to encourage systems of administration which have not entirely been in tune with true federal concepts.

Article 280 of the constitution provides for the creation of a Central Finance Commission by the President every five years. It consists of a Chairman and four other members appointed by the President. The Commission gives recommendations relating to centre-state fiscal relations. Its recommendations are based on a detailed assessment of the financial position of the central and state governments and extensive consultations with all stakeholders. A prescribed percentage of the net

proceeds of all central taxes and duties is assigned to the states. While working out the share of central taxes/duties and grants-in-aid to distribute to the states, the Commission considers the trends in total transfers from the centre to the states, and gives its recommendations on the basis of the premise that tax devolution and grants from the centre to the states should not exceed 37.5 per cent of total centre revenues, both tax and non-tax. In 2002 the Twelfth Finance Commission was constituted and it is scheduled to submit its report in July 2004. This report will be applicable for the period 2005–06 to 2010–11.

The Planning Commission at the centre and the Autonomous Councils in the states (which will be discussed in Section 3) are important tools of centre-state relations. When India became independent, planning was essential to tackle the problems of poverty, illiteracy, food deficits and industrial backwardness. The Planning Commission was constituted in March 1951 to carry out the planning process and, after this, five-year plans and annual plans were drawn up and implemented within an economy where a larger role was assigned to the public sector and a lesser role to a state-regulated private sector. Major projects and programs have to be approved by the Planning Commission before any budget provisions for financing them are made. The determination and allocation of plan assistance is its main task. As the aggregate plan resources are limited, and given the unequal distribution of resources among the states, sharing of resources remains a cause of friction in federal relations.

3 RECENT POLITICAL DYNAMICS

The major failure of the constitution has been that it has not been able to provide an integrated administration which works under the elected bodies from villages/towns to the centre. The reality was that by seeking justification in the need to keep India united, several provisions of the constitution were turned on their head. As a result, in the 1980s India began to face problems of violence, threats of secession, autonomy, self-determination and radical devolution of powers to the states. Given the manifold dimensions of India's pluralistic society, the federal principle offers the only viable basis for the maintenance of a strong and united Indian state. Only in a federal polity, could the unique socio-cultural diversities of the country as a whole and the states in particular be held together. India had reached a point at which the Union could not survive without recognizing the socio-political realities at different levels. Therefore, the search for institutional arrangements for improving the federal system moved to the top of the agenda of concerned intellectuals, jurists and political parties.

By the late 1980s it was acknowledged that extension of the federal idea hinged on decentralization at the sub-state level. It was in this context that the Union government set up a commission in June 1983 (Sarkaria Commission) to review the arrangements between the Union and the states with regard to powers, functions and responsibilities in all spheres, and to recommend such measures as might be appropriate. The report submitted in January 1988 did not advocate any radical change in relations, and stayed within the two-level federal frame. The Sarkaria Commission criticized the trend towards concentration of powers at the centre and recommended among other things, the curtailment of centrally-sponsored schemes in the exclusive sphere of the states and restraint on the part of the Union with respect to subjects in the Concurrent List. The report made useful comments about the need to decentralize power below the state level to local elected bodies, but these fell short of multi-level federalism.

The move towards multi-level federalism in the mid-1980s is perhaps the most significant trend in Indian federalism in recent years. There had been historic attempts to create lower tiers of government, but the recent trends have been more comprehensive, democratic and sustainable.

The fact that village councils (*panchayats*) and municipalities had no constitutional status hampered not only their growth and development but also the decentralization of power. The constitution recognizes only the Union and states but, by the early 1980s, discussion about giving the local bodies constitutional status had begun. Experiments in West Bengal (1978), Karnataka (1987) and Andhra Pradesh (1987) evoked extraordinary response from the people.

On 15 May 1989 a bill (Sixty-Fourth Amendment) was introduced in the Parliament by then Prime Minister Rajiv Gandhi to bring the *panchayats* under the purview of the constitution. This was a welcome step, but there was serious opposition to it on two grounds: (1) the bill overlooked the states and was seen as an instrument of the centre to deal directly with *panchayats*; and (2) it was imposing a uniform pattern throughout the country instead of permitting individual states to legislate the details according to local circumstances. There was an outcry against this bill from political parties, intellectuals and concerned citizens. Although it received a two-thirds majority in the Lok Sabha, in the Rajya Sabha on 15 October 1989, the bill failed to meet the mandatory requirement by two votes.

At another level, perhaps with wider implications for multi-level federalism, several councils have been created, including: Darjeeling Gorkha Hill Council (1988), Bodoland Autonomous Council (1993), Jharkhand Area Autonomous Council (1994), and Autonomous Hill District Council for Ladakh (1995). They are new decentralizing units,

which gave further impetus and meaning to a multi-level federal system and a boost to the multi-layered institutional arrangement within the Indian federal framework.

In September 1991, the Congress government under Prime Minister Narasimha Rao introduced two bills – one for rural local bodies (*panchayats*) and another for urban local bodies (municipalities) – extending participatory democracy to the villages and municipalities. These bills were passed by Parliament on 23 December 1992 and came into force in 1993 as the Seventy-Third and Seventy-Fourth Amendments after almost 10 years of discussion, debates and legislative moves at various levels. With these amendments 47 subjects were to be transferred by the states to the *panchayats* and municipalities. The amendments were extended to the tribal areas (Fifth Schedule areas in the constitution) in December 1996.

These historic constitutional amendments meant a number of changes. First, the *panchayats* and municipalities became “institutions of self-government” and not just development agencies. Second, Gram Sabhas (village assemblies) and ward committees in municipalities became the basic units of the democratic system. Third, the amendments introduced new levels in the system – the *panchayat* system was made up of three tiers or levels: at the lowest level was the village, at the intermediate level was the block and at the top was the district. Fourth, the amendments broadened the democratic base of the country – seats in the *panchayats* and municipalities at all three levels are now to be filled by direct elections for a five-year term, and seats are reserved for hitherto excluded groups like lower castes and tribes, and women. Fifth, an independent Election Commission was created in each state for supervision, direction and control of the electoral process and preparation of electoral rolls and State Finance Commissions. And, sixth, the amendments determined the principles upon which adequate financial resources are transferred to the *panchayats* and municipalities, and created District Planning Committees. Grants from central and state governments constitute an important source of funding but state governments are also expected to assign the revenue of certain taxes to the *panchayats*. In some cases, the *panchayats* are permitted to collect local taxes and retain the revenue.

With the constitutional amendments, a de facto third tier of governance with a wide democratic base has come into existence. Before this India had about 4,963 elected members in Parliament and the state assemblies, but today every five years three million representatives are elected. Out of this, more than one million are women. A large number of excluded groups and communities are now included in the decision-making bodies. India is moving from a two-level federation (Union and

states) towards multi-level federalism with local bodies (*panchayats* and municipalities) at the district level and below becoming the third level.

Some analysts claim that this process is merely strengthening “administrative federalism,” in order to facilitate and encourage delegation of administrative and financial powers from the states to local bodies. The administrative powers and the financial resources of the local bodies to exercise these powers are entirely derived from legislation that has to be passed by the state. They have no definite executive, legislative, financial or judicial power and, according to this school, constitutional status and elections do not mean they are a third tier of governance. This, however, is a limited view of the scope of the democratic and political changes that have taken place.

Others believe that this trend heralds a qualitative change in the federal character of the Indian polity. Each state has become a federating unit with three layers below it – district, block and village. This is a unique federal feature and India must struggle to find a proper balance, and to create links in a democratic process from Gram Sabha (village assembly) to Lok Sabha in the federal Parliament. Multi-level arrangements in India represent the new and ongoing search for new modes of adaptation to the pressures created by democratic development.

In order to make the multi-level federalism effective, the centre must develop a willingness to share powers with the states on an equal measure. Institutional innovations are necessary conditions for strengthening the federal framework. India’s federal polity is not static. As Rasheeduddin Khan, an expert on Indian federalism, puts it, “India is an evolving federal nation. India has crossed the half century mark as a nation and along with it has *de facto* entered the multi-level federal era – a change from being just a Union of States.”

It is important to note another significant trend in Indian federalism – the changing political party system. Until the 1977 parliamentary elections, the Congress Party dominated the political scene in India. Since then, however, coalition parties have come to stay, not only at the centre but also in the states. Thus, today even the Congress Party cannot hold power on its own and must find support from other regional parties to stay in power. (The present government of India is made up of a coalition of 24 parties.) In India there are currently over 550 registered political parties, out of which only six are recognized as national, 40 are state-level and 504 have only a local base. The regional or state-level parties wield considerable influence at the centre and thus the accountability of the centre has increased substantially. When a significant party (or parties) forming a governing coalition withdraws support – on policy matters or regional/state interests – the central government cannot survive.

Some political and constitutional developments over the past three years or so have far-reaching implications for India's federal polity. The first important developments are the constitutional amendments that have been passed in the early years of the twenty-first century. Following the passage of the Constitution (Eightieth) Amendment (2000), the Union's entire revenue receipt can now be shared with the states. The Constitution (Eighty-Fourth) Amendment 2002, has kept the delimitation of parliamentary constituencies in abeyance till 2026. The reason advanced for the amendment was that if delimitations were carried out in 2001, this would unfairly punish those states in the south which have succeeded in checking their growth in population. The Hindi-speaking states in the north where a large chunk of population is concentrated have thus lost the opportunity to increase their parliamentary strength.

Another notable amendment is in the *Representation of the People (Amendment) Act, 2003* which has introduced an open ballot system in elections to the Rajya Sabha (upper house) and has done away with the residential requirement for contesting elections to Rajya Sabha. Members of the Rajya Sabha are elected by the members of the legislative assemblies (MLAs) of the states. The earlier provision had made it mandatory that a candidate for the Rajya Sabha from a particular state must be a resident of that state. The new provision permits a resident of any state to be elected from any other state to the Rajya Sabha. It has been argued that this change strikes at the very foundation of the federal set-up.

The National Commission to Review the Working of the Constitution (Justice Venkatchelliah Commission (NCRWC)), appointed in February 2000, submitted its report by the end of 2002. Its recommendations have far-reaching implications for the structure of government at the centre and the states, and for inter-governmental relations.

The Commission has called for comprehensive reforms in the committee system which will go a long way in arresting the decline of Parliament and state legislatures. The Commission has proposed three new committees (after disbanding some existing committees like those on Estimates, Public Undertakings, and Subordinate Legislation) – a Constitution Committee (dealing with amendments), a Committee on National Economy, and a Committee on Legislation.

In the domain of Union-state relations, the NCRWC recommends the strengthening of the existing Inter-State Council “in tune with the spirit of cooperative federalism requiring proper understanding and mutual confidence and resolution of problems of common interest expeditiously.” In addition, the Commission has also recommended the establishment of a regulatory Inter-State Trade and Commerce Commission

(under Article 307 and entry 42 of the Union List). Article 307 refers to the appointment of authority by the Parliament for carrying out trade, commerce and other related activities within the territory of India – i.e., freedom of trade and commerce, and their restrictions within the country and between the states. Entry 42 of the Union List refers to inter-state trade and commerce.

Another welcome proposal was the suggestion that there be prior consultation with the Inter-State Council by the Union government before signing any international treaty which “vitally affects” the interests of the states on matters included in the State List. It should be noted here that there are two cases now pending in the Supreme Court of India – filed by the state governments of Punjab and Tamil Nadu – protesting unilateral signing of the World Trade Organization treaty by the Union government in 1995.

During the two meetings of the Inter-State Council (ISC) in November 2001 and August 2003 the states made substantial gains. It was agreed that the residuary powers which rested with the Union government earlier be shifted to the Concurrent List and that the legislation on this list be in consultation with the state governments. Another important recommendation the ISC accepted was that the Union government must consult the Chief Minister of the state on the appointment of Governors. The Union government has promised to amend the constitution accordingly.

The Srinagar meeting of the ISC also discussed the “Emergency Provisions” of Article 356, and took certain decisions in favour of the states thereby curbing the arbitrariness of the Union government with regard to defining and declaring an emergency. In view of the fight against terrorism, the right to deploy central forces in a state during an emergency situation was accepted as a prerogative of the Union. But in other cases, prior consultation with states was considered desirable. Introduction of a system of interchange of the officers among the Union and state armed police forces was also accepted.

The ISC has taken up 230 of the 247 recommendations of the Sarkaria Commission and 170 of them have already been implemented. The last meeting of the Inter-State Council decided that it would henceforth become a forum to sort out important issues of cooperative federalism and socio-economic concerns. The ISC work reflects the increasing space that the states have now gained in the federal structure.

In India the federalization process is gathering momentum. The key federal players in the process are the President of India, the Supreme Court, the Central Election Commission, and the National Human Rights Commission. India’s vibrant civil society organizations and the

media are also key players in the process. There are no dull moments in Indian society, and the rough and tumble nature of Indian politics has only further strengthened the states and weakened the centre's stranglehold.

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Table I
Political and Geographic Indicators

Capital city	New Delhi
Number and type of constituent units	<p>28 States: Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttaranchal, Uttar Pradesh, West Bengal</p> <p>7 Union Territories: Andaman and Nicobar Islands, Chandigarh, Dadra and Nagar Haveli, Daman and Diu, Lakshadweep, Pondicherry, Delhi</p>
Official language(s)	Assamese, Bengali, Gujrati, Hindi, Kannada, Kashmiri, Konkani, Malayalam, Manipuri, Marathi, Nepali, Oriya, Punjabi, Sanskrit, Sindhi, Tamil, Telugu, Urdu
Area	3 287 590 km ²
Area – largest constituent unit	Rajasthan – 342 239 km ²
Area – smallest constituent unit	Goa – 3 702 km ²
Total population	1 048 279 000 (2002)
Population by constituent unit (% of total population)	<p>Uttar Pradesh 16.1%, Maharashtra 9.4%, Mizoram 8.7%, Bihar 8.1%, West Bengal 7.8%, Andhra Pradesh 7.4%, Tamil Nadu 6.0%, Madhya Pradesh 5.9%, Rajasthan 5.5%, Karnataka 5.1%, Gujarat 4.9%, Orissa 3.6%, Kerala 3.1%, Assam 2.6%, Jharkhand 2.6%, Punjab 2.4%, Dadra and Nagar Haveli 2.1%, Chhattisgarh 2.0%, Haryana 2.0%, Delhi 1.3%, Jammu and Kashmir 1.0%, Uttaranchal 0.8%, Himachal Pradesh 0.6%, Tripura 0.3%, Manipur 0.2%, Meghalaya 0.2%, Nagaland 0.2%, Arunachal Pradesh 0.1%, Goa 0.1%, Chandigarh 0.09%, Pondicherry 0.09%, Sikkim 0.05%, Andaman and Nicobar Islands 0.03%, Daman and Diu 0.01%, Lakshadweep 0.006%.</p>
Political system – federal	Federal Republic – Parliamentary System
Head of state – federal	President Avul Pakir Jainulabdeen Abdul Kalam. President is elected by an electoral college consisting of elected members of both houses of Parliament and the legislatures of the states for a 5-year term. Election last held July 2002 (next to be held July 2007).
Head of government – federal	Prime Minister Shri Atal Bihari Vajpayee (since 1998). The President appoints the leader of the party or alliance that enjoys majority support in the Lok Sabha as Prime Minister. The Council of Ministers is appointed by the President on the advice of the Prime Minister. Next elections to be held 2004.

Table I (continued)

Government structure – federal	<p>Bicameral: Parliament (Sansad)</p> <p><i>Upper House</i> – Rajya Sabha (House of States), not more than 250 seats. 12 members are appointed by the President and the remaining members are elected by proportional representation (single transferable vote) for a 6-year term by the members of the legislatures of the states and territories, one-third of the members are elected every 2 years.</p> <p><i>Lower House</i> – Lok Sabha (House of the People). Maximum strength of the House is 552 members. Members are chosen by direct election on the basis of adult suffrage. Not more than 2 members of the Anglo-Indian Community are nominated by the President, if, in his opinion, that community is not adequately represented in the House. Lok Sabha continues for 5 years from the date appointed for its first meeting.</p>
Number of representatives in lower house of federal government of most populated constituent unit	Uttar Pradesh – 85
Number of representatives in lower house of federal government for least populated constituent unit	<p>Lakshadweep 1</p> <p>Pondicherry 1</p> <p>Andaman and Nicobar Islands 1</p> <p>Chandigarh 1</p> <p>Dadra and Nagar Haveli 1</p> <p>Daman and Diu 1</p> <p>Sikkim 1</p> <p>Mizoram 1</p> <p>Nagaland 1</p>
Distribution of representation in upper house of federal government	<p>Andhra Pradesh 18, Arunachal Pradesh 1, Assam 7, Bihar 16, Chhattisgarh 5, Goa 1, Gujarat 11, Haryana 5, Himachal Pradesh 3, Jammu and Kashmir 4, Jharkhand 6, Karnataka 12, Kerala 9, Madhya Pradesh 11, Maharashtra 19, Manipur 1, Meghalaya 1, Mizoram 1, Nagaland 1, Orissa 10, Punjab 7, Rajasthan 10, Sikkim 1, Tamil Nadu 18, Tripura 1, Uttaranchal 3, Uttar Pradesh 31, West Bengal 16</p> <p>Note: Union Territories are not included here.</p>
Distribution of powers	<p>The federal government has exclusive authority to legislate over 97 subjects (including defence, foreign affairs, communications, currency and coinage, banking and customs). The states have exclusive power over 66 subjects such as police and public order, agriculture and irrigation, education, public health and local government. There are 47 matters over which power is concurrent, including economic and social planning, criminal</p>

Table I (continued)

	law, education, population control, family planning, labour and price control. In the event of conflict between federal law and state law on any issue included in the concurrent list of the constitution, federal law will prevail.
Residual powers	Residual powers belong to the Union. ¹
Constitutional court (highest court dealing with constitutional matters)	Supreme Court of India, comprised of a Chief Justice and not more than 25 other judges appointed by the President of India. Judges retire at 65.
Political system of constituent units	Legislative Assemblies (Vidhan Sabha) composed of between 32 and 425 members, popularly elected for a 5-year term. Some of the larger states have a second smaller legislative chamber called a Legislative Council (Vidhan Prishad).
Head of government – constituent units	<i>Head of state</i> – Governor, appointed by the President, under the recommendation of the Prime Minister, to serve for a 5-year term. <i>Head of government</i> – Chief Minister heads a Council of Ministers that is drawn from the Legislative Assembly.

Table II
Economic and Social Indicators

GDP	us\$2.7 trillion at PPP (2002)
GDP per capita	us\$2 570.9 at PPP (2002)
National debt (external)	us\$97.3 billion (2001)
Sub-national debt	us\$82.6 billion
National unemployment rate	8.8%
Constituent unit with highest unemployment rate	Goa – 13.6%
Constituent unit with lowest unemployment rate	Gujarat and Rajasthan – 0.8%
Adult literacy rate	58% ²
National expenditures on education as % of GDP	4.1%
Life expectancy in years	63.3 (2001)
Federal government revenues – from taxes and related sources	us\$45.6 billion (2002–2003)
Constituent units revenues – from taxes and related sources	us\$31.4 billion (2002–2003)
Federal transfers to constituent units	us\$11.5 billion (2002–2003)
Equalization mechanisms	Unconditional and conditional grants, as well as shares of federal taxes are transferred to the states on the recommendation of independent Finance Commissions.

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Notes

- 1 Other provisions deal with the administrative relations between the Union and the states, inter-state trade, federal transfers, official language, etc.
- 2 Age 15 and above.