

What are Effective Approaches to Intergovernmental Relations?

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The answer to ‘what are effective approaches to intergovernmental relations?’ can be answered with a counter question, is there truly an effective approach to intergovernmental relations? Two issues make this question difficult to answer. First, given the differences in background in terms of historical, geographical, social, cultural and economic factors that went into the making of federations and the subsequent differentiated institutionalisation of federalism, it is difficult to make specific references. Second, given that change is constant what is effective at some point of time may prove to be inadequate later, even within the same system and between the same levels. However best and worst practices can be identified which could then become learning experiences.

This paper focuses on the experiences of two federations, Mexico and India and attempts to identify some successful and not-so successful approaches to IGR. Intergovernmental relations (IGR) connect governments’ and deals with the activities and interactions between governments at different levels. It involves communication, coordination and cooperation, all directed to achieving common or mutually acceptable goals. Both India and Mexico are three-tier federations with governments at the union, state and local level. This gives rise to an amazing variety of IGR relationships which include both vertical and horizontal relationships in the form of union-state, state-state, state-local, local-union, local-local and local-state-union relations. It is not necessary that all these are visible and functioning at the same time.

India and Mexico have different historical experiences and political developments but they share common goals towards federalism. Their governments were created based on distinct constitutional traditions and equilibrium of power. The political system in both countries is in the process of transformation as a result of new electoral challenges. The national backgrounds of India and México encompass evident divergences and particular similarities. The two countries are formed by a multiplicity of peoples and ethnic groups, both had ancient cultures, but their conceptions of nation-state are rooted in different historical experiences. While India interacted with people from various continents, Mexico and its vernacular population were isolated to the continent known nowadays as America.

The arrival of the first Europeans to the New World dramatically changed the future of the American continent. When Spanish and Portuguese explorers landed they thought it was “las Indias.” While using horses, metals and firearms they searched for a utopia and a 16th century Catholic model for a nation. In order to understand current Mexican religious and language homogeneities, it is crucial to know that Spanish and Catholicism were not implemented voluntarily, but rather were imposed by the force. This pyramidal social and political system suited pretty well in the grounds of the hierarchical former Aztec Empire. During the three centuries of colonialism the “Virreinato de la Nueva Espania” carried a centralized government out, observed a tremendous mix (mestizaje) among Spaniards, Aborigines, and other minorities, and gave political and economic privileges to noble European elite. Today, Mexico remains officially a Spanish speaking country, is mostly Catholic and is proud of its ethnic mix or “mestizaje.”

Although Mexico and India have federal structures, for a long time both followed extremely centralised practices, which negated the true spirit of federalism. Since the 1910 Revolution, the Mexican system has been characterized by an extremely powerful executive power. For 71 years, the organization today known as the Institutional Revolutionary Party (Partido Revolucionario Institucional, or PRI) influenced the political system at virtually all levels of government. Through the ruling party, the president was able to not only undermine the institutional separation of powers between the three branches of government, but also was able to undercut state and local governments.

Despite these anti-democratic tendencies, the PRI also contributed to Mexico’s post-revolutionary consolidation and long-term political stability. As the PRI had a lock on electoral mechanisms, it did tolerate the existence of other parties within the regime in so far as it enabled systemic legitimacy and an old-fashioned idea of democracy for Mexico. After the year 2000, Mexico approached a three party political system, during which decentralization became necessary. The two chambers in Congress gained more influence on national life and cohabited with presidential decisions, but states, regions, localities and small communities have yet to experience significant results.

The story of the movement from centralisation to decentralisation is however different in the case of India. Four factors have deeply influenced IGR in India, these include, its historical background, the constitutional distribution of powers, the nature of the party system and the

parliamentary system of government. While the first two are fixed and are at play continuously, the role of the latter two is contingent on the party competition and government composition at different levels. The first two factors are deeply intertwined. The difficult domestic and international milieu in which India got independence has impinged on the subsequent development of federalism and IGR. At the time of constitutional framing the main concern was to prevent further fragmentation, bring peace, protect the unity and integrity of the nation and bring about economic development. Consequently, India adopted a strong-centre model of federalism.

As in Mexico, where the PRI dominated, in India the nature of the party system with domination by the Congress both at the centre and the states after independence played a key role in the direction that federalism developed in India. However the key difference between the PRI and the Congress has been that while the Congress was always committed to democracy, the PRI until very recently did not allow real democracy to take root. Initially the Congress dominance was welcomed as it brought in predictability and stability allowing the new institutional framework to settle down. However, over a period of time this dominance stifled and even inhibited the growth of a genuine federal spirit. The party channel mechanism as device for federal interaction proved inadequate with the coming of age of other parties. The functioning of institutions of IGR like the National Development Council (NDC) and the ad hoc mechanism of Chief Ministers' conference was dependent on internal party dynamics like factions and personal equations. The sword of party discipline reduced the scope for enlivening these institutions.

The party composition of governments at different levels in a parliamentary federal system has also affected IGR. During the phase of one-party dominance, this dimension of IGR did not play itself out as much as it has had when there are different political parties at different levels. When the Congress was challenged by other parties at the state level, it did use instruments of strong-centre framework to manage centre-state relations. In a competitive party system, competition between parties has become an influential factor in intergovernmental relationships both horizontally and vertically. Relations between the union and the states or between states themselves have been influenced by the party composition of the governments.

However, today for both countries, federalism is highly significant. Both countries are in a process of transformation, they are opening to a new world of economic opportunities and international competition while also being aware of new local needs. More than ever, regional

and local decision-makers must think globally but act in relation to regional and communal cultures and realities. New technologies and opportunities for trade have created a global economy in which businesses and individuals demand greater flexibility and responsiveness from policy-makers than nationally oriented administrative structures are equipped to provide.

Decentralization of the Educational System in Mexico

Structures of IGR

There has been a proliferation of structures of IGR in India over the years. It is possible to distinguish intergovernmental structures on the basis of the levels they serve i.e. whether they function at union-state, state-state levels and so on. Within these levels, a further distinction on the basis of their creation and type can be made.

- a) those established under constitutional provisions
- b) those established under executive orders
- c) those established under parliamentary acts
- d) ad-hoc devices

However we will not detail the different structures and instead focus on the question of an effective approach to IGR. The level of union-state relations has the greatest concentration of institutions of IGR. The other levels, like state-state, state-local, local-local and centre-local are marked by relatively less structure.

A Successful Case of Effective IGR

The North East Council (NEC) is an example of a successful instance of inter-governmental relations. The North East Council was established by North Eastern Council Act 1971. The Council was to act as an advisory body for socio-economic development and balanced development of the North Eastern Areas consisting of the present States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. (Sikkim was added in 2002 by the NEC Act, 2002). The NEC is mandated to meet at least twice a year.

Organisation The members of the NEC consist of the Governors and the Chief Ministers of the representative states. Besides the Chairman, three Members are nominated by the President of

India. At present the Minister, Development of North-East region is the Chairman of the NEC. Its secretariat is in Shillong (Meghalaya)

Functions The functions that have been spelled out in the Act are as follows:

1) Discuss issues in which some or all of the States represented in the Council have a common interest and advise the Central Government and the Governments of the States concerned on the action to be taken. Three specific areas have been specifically spelled out:

- matters of common interest in the field of economic and social planning
- matters concerning inter-State transport and communications
- matters relating to power or flood control projects of common interest

2) Formulate proposals for the balanced development of the region with regard to:

- unified and coordinated regional plan, which is in addition to the State plan in regard to matters of common importance to that area
- laying down priorities of the projects and schemes included in the regional plan and recommending stages in which the regional plan could be implemented
- recommend location of the projects and schemes included in the regional plan, to the Central Government for the latter's consideration

3) Review implementation of projects and schemes in the regional plan and recommend measures for ensuring effective coordination between the governments for their implementation. When a project/scheme is intended to benefit more than one state, the NEC would make recommendations on the execution, implementation, management and maintenance and the sharing of costs and benefits among the beneficiaries.

4) Review expenditure trends and make recommendations to the Central Government on the quantum of financial assistance to be given to the states entrusted with the implementation.

5) Recommend to the Governments States/Central as required the undertaking of required surveys and investigations of projects

6) Timely review of public order and security measures and make necessary recommendations.

Its meetings have been regularly held since 1972. It has met 52 times since its inception. At the centre, a Ministry of development of North-East Region (DONER) was set up in 2001 to act as the nodal department of the central government with regard to matters dealing with the socio-economic development of the North-East. The Ministry submitted a document in 2004 to revitalize the NEC after wide ranging consultations. Most of the recommendations of this report have since been accepted. Since January 2007 the DONER and the NEC have been holding sector wise meetings on wide ranging issues including power, road connectivity, rail connectivity, air connectivity, tourism and hospitality and so on. These meetings review centrally sponsored schemes/central schemes implemented by the central ministries in the North-East and are scheduled till April 2008.

Not-so-successful Approach to IGR

The Inter State Council was set up in 1990 under Art 263 of the constitution to act as an interface between the states and the union and between the states themselves.

Organisation The Inter State Council is composed of the Prime Minister, who acts as its chairman, chief ministers of states and union territories having a legislative assembly, administrators of union territories not having a legislative assembly. Additionally six cabinet ministers from the union council of ministers are nominated by the Prime Minister. Other ministers in the union government could be invited when a subject under their charge is discussed. It has its secretariat in New Delhi.

Functions The Council is only a recommendatory body and has been vested with the following tasks.

- a) Investigating and discussing such subjects which may be brought before it, in which some or all of the States or the Union and one or more of the States have a common interest.
- b) Make recommendations on such subjects and in particular recommendations for the better coordination of policy and action with respect to that subject
- c) Discuss matters of general interest to the States which are referred to it by the chairman.

However the ISC has been a huge disappointment. The Council, despite more than 15 years of existence, has managed to meet only 10 times. It has not established any internal mechanism for regular dialogue. The NEC is not only mandated to meet twice a year but also has quorum requirements. However, though the ISC was setup at a later date, it did not have such requirements. The ISC meant to be a forum for intergovernmental interaction, cooperation, consultation and coordination but has until now been reduced to merely processing the recommendations of the Sarkaria Commission on Centre-State relations. In 2006, it approved an action on good governance and the secretariat of the ISC was put in charge of monitoring its implementation. This 139 point action plan was presented to the states as supposedly reflecting a consensus on governance reforms. It was not drawn up in consultation with the states and like numerous other programmes of the centre, it was pre-packaged.

Future Challenges with Respect to India

IGR in India has been dependent on the strength and direction of political winds blowing in the polity. The success and failure and effectiveness of institutions of IGR have been determined by situational elements and the current orientation/preference of the political actors. The dominance of the Congress after independence provided a protective environment and helped stabilise and nurture the nascent political institutions. However, over a period of time the Congress style of functioning through party channels not only did not energise existing mechanisms, but also acted as a detriment to the creation of genuine federal mechanisms.

For a long time, pre-packaged and pre-decided policies and programmes were the bread and butter of IGR. The union government acted on a 'centre knows best' hunch and consequently IGR mechanisms lost their true value and were reduced to institutions merely exhibiting

interaction, as they did not allow for real decision making. This pattern has continued despite the establishment of a multi-party system.

The major challenge for IGR in India is that it is handicapped by the lack of genuine institutionalisation. Merely establishing mechanisms have proved inadequate. Institutionalisation brings continuity, stability and predictability. Formal functioning mechanisms allow for clear cut action enabling smoother functioning. Structure as new institutional and comparative institutional literature informs us and shapes the pattern of interaction. Since India is an executive dominated parliamentary federation, central government departments and ministries have coordinated IGR. The absence of a dedicated institution for IGR is clearly felt. Interaction between different levels is therefore not a regular affair or at least does not take place systematically. For instance, a National Conference of Superintendents of Police was organised in September 2005 by the Union Home Ministry following a direction by the Prime Minister. The conference was able to identify common problems while also identifying how to improve delivery of police services. Now this was quite useful given the new challenges that policing requires in the context of widespread economic and technological changes. But the utility of such interactions is realized only when there is follow up.

A draw back of the current structures of IGR at the level of union-state relations is that it is defined and practiced in hierarchical terms. There is a clear top down approach with regard to dealing with matters. The state component both in terms of personnel and in the nature of responsibility is less compared to that of the union. Hierarchy rather than equality and a genuine urge for collective decision making have been a key feature of IGR in India.

If in the first 50 years after independence attention revolved around the questions of relationships between the union and the states, in the future there could be a shift from vertical to horizontal relations and state-state interaction could become a crucial dimension of the Indian polity. Horizontal interaction is useful to tackle common problems and to arriving at a consensus on vexing problems. This has already been seen, for instance, in the introduction of the VAT regime. It is basically a product of horizontal interaction, rather than vertical dialogue. The centre only acted as a facilitator with the details being finalised by the states in consultation with each other.

Intergovernmental relations could also become more complex in the future under the influence of the ongoing liberalisation programme. Competition between states has increased and

almost created two classes of states, one rich and other poor. While the former may want the union government to give up its gate keeping role, the latter may not necessarily share the same views. One of the key future challenges for the union would be how to tackle disputes between states. Should it leave it to the states themselves or should it intervene? In either case it is going to be difficult.

Another characteristic of IGR in India has been its reliance on executive federalism as a tool for interaction. This has its limitations. There is a need to move to the legislative sphere. Need for more interaction between representatives. Reform of the Rajya Sabha and a more prominent federal role would also help establish a better state of IGR.

Another challenge to IGR is the politics of divided government. When we have different dispensations ruling at different levels, competition between parties at different levels could create coordination dilemmas in the form of blame-shifting, delay and even inaction. Current established mechanisms have not inspired much confidence that they would be able to meet the expectations.

Concluding Observations

Political culture is a particular way of thinking in regard to how political and economic life ought to be carried out by a country's government. These notions may not always be shared by the country as a whole. Mexico shares this situation with India. There will always be different political ideas, which lead to political subcultures. Depending on the context of each person and each community, they will have their own beliefs in how the government should be doing things; particular things that are taken into consideration when it comes to political culture are civil liberties, individual compromise to the country and democratic values.

Federalism is the system that political culture works within. They coax each other in that, federalism gives political culture an outlet to be noticed and to be pragmatic, and political culture gives federalism a means of achievement. Federalism celebrates diversity which may not be the case with other systems of government, where there may be a pressure towards homogenisation. Without political culture, the idea of federalism is, in a way overpowered. It is put there for the citizens, and if those citizens do not hold a judgment and voice it, federalism has a hard time serving its function of supporting its people.

Liability of the state institutions and decisions, responsibility of the authorities and people in charge of official duties, are both based and have to be rooted in a culture of fundamental inter-individual trust. Equal opportunities among regions, social classes and ethnic groups –one of the basic elements of a well functioning federalism – is a difficult and never ending process – but it can never be approached without local empowerment and without the responsibility of state actors.

That means in all sectors of the society - unions as entrepreneurs organizations, parties, NGO's, local communities as well as parliamentary groups and women's organizations, etc. - are taken into account. Such efforts are the way to build up, in a long term perspective, a new political culture in which not only local governments but also local NGO's and political actors have to have an interest. Usually, the link between federalism and democracy is underestimated, but democratic produces are the glue which holds the parts together which federalism strengthens.

Federalism is the system which India and Mexico use as a frame for its government's power distribution when it comes to policies, procedures, and the likes. It is what maintains the power among the different levels of government, be it the national, state, or local governments. Perfection has not been accomplished yet. Nonetheless, it also defines and separates this power centralization, while protecting the rights and profits of each geographical region. However, despite its pros and cons, it can be said that if nothing else, it at least gets more citizens involved in politics. That is an important aspect that it brings, especially when it is tied to complex political cultures such like Indian and Mexican. Together, federalism and political culture make for a more successful government in both political systems and societies.