

## Democracy, Federalism and Globalisation

By

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I stand before you to represent India, the world's largest *Democracy* with a population of more than a billion. The democratic heritage of India is traced from the **Vedic Age (3000 B.C. to 1000 B.C.)** wherein the *Sabha* and the *Samiti* may be said to have contained rudiments of a modern Parliament. The great epic *Mahabharata (1500 B.C.)*, Kautilya's *Arthashastra (400 B.C.)*, *Manusmriti (200 B.C. – 200 A.D.)* and writings of contemporary Buddhist and Jain scholars contain numerous references to the existence of a number of functioning republics during the post-Vedic period. A highly sophisticated urbanized culture, the **Indus Valley civilization** dominated the northwestern part of the subcontinent from **2700 to 2000 BC**. The political organisations towards the end of the Vedic period paved the way for the emergence of several territorial states in different parts of the country. The idea of *Janapada* (territory) got gradually strengthened and by 600 B.C. there were 16 major States (*Mahajanapadas*), and among them *Kashi*, *Kosala*, *Magadha* and the *Ujjian* confederacy remained important republics in ancient India.

The political map of ancient and medieval India was made up of myriad kingdoms with fluctuating boundaries. Noteworthy during this period was the Maurya Empire. The accession of *Chandra Gupta Maurya (325-321 BC)* is significant because it inaugurated *the first Indian Empire*. The Maurya Dynasty ruled the entire Indian sub continent and large parts of Afghanistan till second millennium BC. The Aryans commenced migration from the northwest around the same time. In the 4<sup>th</sup> and 5<sup>th</sup> Centuries AD, Northern India was unified under the *Gupta Dynasty*. During this period known as India's Golden Age, Hindu culture & political administration reached new heights. The norms of Indian literature, art, architecture, philosophy and science were established.

India's heritage gave *Taxila* the world's first university in **700 BC**, *Ayurveda* the earliest organized system of medicine, *Arthashastra*, a major treatise on political economy and governance by Kautilya, believed to be the prime minister of Chandragupta Maurya and *Manusmriti*, the first known work on the code of law. **Aaryabhata (480 AD)**, the greatest mathematician of his age, introduced the concepts of zero and decimals to the world. Even the inscriptions on the walls of a temple in South India reveal detailed constitution giving the code of elections and obligations of various functionaries.

Islam spread across the continent in the next 500 years. In 10<sup>th</sup> and 11<sup>th</sup> Centuries the Turks and Afghans invaded India and established Sultanates in Delhi. In the early 16<sup>th</sup> century descendants of Genghis Khan established the *Mughal dynasty*, which lasted for 200 years. From 11<sup>th</sup> to 15<sup>th</sup> centuries Southern India was dominated by *Hindu Chola & Vijay Nagar dynasties*.

One of the unique democratic institutions which evolved in ancient India has been the Panchayat system at the village level. During the medieval periods, the polity in large parts of India was basically monarchical. However, irrespective of the forms of Government all over the country, the village societal structure remained almost unchanged, as village communities in their local affairs continued to be governed by some sort of Village Councils or Panchayats.

India, the land of unique diversity & heterogeneity, in its evolution of *5000 years old civilization* developed many strands of ethnic segments, religious influences, languages and cultures which have intermingled in evolving a classic plural society providing social and political space for articulation by multiple identities. Indian pluralism and compositeness is a reality that gets amply reflected in its social federalism, recognizing and respecting the concept of *“Unity in Diversity”*.

*Its unique demographic profile is represented by 4,635 communities, 18 major and 236 subsidiary languages, 2,100 dialects, a dozen ethnic and several religious groups fragmented into a large number of castes and sub castes and some sixty socio-cultural sub-regions spread over seven national geographical regions covering an area of 3.28 million sqkm. India’s millions live in 5,161 towns and 6,42,000 villages. Out of the eighteen official national languages thirteen are Indo-European, four Dravidian and one Sino-Tibetan. However, the tribal groups scattered through the highlands of eastern and central India use the languages of the Austro-Asiatic origin.*

India has never been governed by a single or unitary centre of authority. Throughout the history there has been persistent endeavour to establish sustainable political order in a diverse social framework marked by *civilizational unity*.

The first British outpost in south Asia was established in 1619 at Surat on the northwestern coast of India. Later in the Century the East India Company set up permanent trading centres at Madras, Bombay & Calcutta, under the protection of native rulers. By 1850 the British had expanded their influence & controlled most of regions of present day India, Pakistan and Bangladesh. In 1857 a rebellion in North India led by Indian soldiers caused the British Parliament to transfer all political power from the East India Company to the crown which administered most of India directly while controlling the rest through treaties with local rulers.

In 1858 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, which was accomplished via the councils Act of 1861 and later by the Minto-Morley Act of 1909. Provincial autonomy came into being with the Montagu-Chelmsford Act of 1919 which provided for the establishment of responsible governments in the provinces. Through the Simon Commission Report of 1930 and subsequent dialogue the Crown attempted to contain Indian nationalism and affirm British suzerainty.

The constitution of India has been shaped in significant ways by the Government of India Act of 1935. This Act divided legislative powers between the provincial and central legislatures and within their defined spheres 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.

After the independence of India in 1947 Indian constitution was born more in *fear and trepidation, than in hope and inspiration*. The predominant *concern of the founding fathers was the preservation of the unity and integrity of India*, which comprised of more than 600 varied princely states plus the provinces of British India. The constitution makers did realize that the ethnic, cultural and linguistic conflicts were of very complex nature and were not amenable to any simplistic solution and secondly, that the process of modernization and socio economic changes that would inevitably follow independence of the country would generate new tensions which could not be tackled adequately under the framework of the Act of 1935, which was devised by the British to solve the problems of a colony as viewed by them.

Even in the formation of Indian federal state, both, ‘*Centripetal and Centrifugal forces*’ were in action. Therefore, the framers of the Constitution appeared to have been virtually unanimous on the need for a strong central government. Also, nowhere in the Constitution the word “federal” is mentioned – indeed, the constitution says that the nation is a ‘Union of states’ (Art.1), and it envisaged a strong centre. *Dr. 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 in to a unitary state during extraordinary circumstances.* A simmering discontent stemming from economic inequalities, lopsided development, and the domination of certain castes or classes, compelled the Centre to appoint *State Re-Organization Commission in 1955* to reorganize the states on the principles of linguistic and cultural homogeneity, financial, economic and administrative considerations. Since 1956, there have been several other adjustments to the states, the most recent being the creation of the states of *Chhatisgarh, Jharkhand and Uttaranchal* in November 2000.

India is a federal republic with a parliamentary system. It consists of 28 constitutional units and seven union Territories. The federal parliament is bicameral consisting of Rajya Sabha, the Upper House and Lok Sabha, the Lower house.

Indian system has been described, as a “*federation without federalism*”, and variously referred to as executive competitive or quasi-federal. These interpretations are due to the several provisions that permit the Centre to infringe on the states’ rights. These provisions encompass political, financial and administrative fields. Some of the important provisions are the power of the Parliament to make laws with respect to any matter enumerated in the state list Under Art 249; power of the central government to impose

emergency under article 352; the power of the President, to assume the normal powers of a state, remove a state ministry, dissolve the legislature and empower the union legislature to exercise the respective states' power for a temporary period due to constitutional failure or political breakdown under article 356. The amendment to the constitution under article 263, can be initiated only by the introduction of a bill in parliament which must be passed by 2/3<sup>rd</sup> majority in both the houses, along with ratification by the legislatures of not less than one half of the states.

Other political institutions of our federal structure are:

- The **Supreme Court of India** headed by Chief Justice of India is protector of Constitution and is final arbiter in disputes between states and the union. Its 25 Judges are appointed by the President
- **Central Finance Commission** which is constituted every five years by the President for the purpose of making recommendations relating to Centre-State fiscal relations.
- **Central Election Commission** which is responsible for conducting free and fair elections for Parliament and State Assemblies.
- **Inter State Council**; a statutory body to deal with Inter-State and Centre-State relations was created for the purpose of enquiring into and advising upon disputes and making recommendations for better co-ordination of policy and action. A surrogate '**National Development Council**' was however, set up in 1952 for clearance of five year plans and related issues of economic development. They both continue to be useful instruments of Inter Governmental relations.
- **The Planning Commission** which was established for the purpose of perspective planning in the 50s has now been entrusted with additional responsibility of monitoring the critical sectors of development and make recommendations for non-planned expenditure in respect of states.

In the eighties, India began to face problems of violence, threats of secession, autonomy, self determination and the radical devolution of powers to the states and witnessed separatist movements like **Telangana in Andhra Pradesh, Bodoland in Assam and disturbances in Punjab**. In 1983 **Sarkaria Commission** was set up to look into the whole gamut of Sub-Regional aspirations and redefine Centre-State relations. The commission observed that Federalism was not a static concept but a functional arrangement for cooperative action. It recommended decentralization below the state to the local elected bodies. The need for such affirmative action also caught the imagination of jurists, intellectuals and political leaders.

**The vision and deep concern of former Prime Minister Rajiv Gandhi for empowerment of 750 million people, living in rural India in consonance with Mahatma Gandhi's dream of 'Gram Swaraj' (Village Republic) led to the introduction of historic "Panchayati Raj Bill" in 1989.** Rajiv Gandhi wanted to accord constitutional status to Village councils and Municipalities to strengthen grass-root democracy and promote social justice with a view to enable large multitude of Indians to participate in development process and decide priorities for their own needs. Today we have three million representatives at

village, block and district levels who are directly elected every five years. Out of above there are one million women. Adequate provision also has been made for the disadvantaged and deprived sections of the society. Through 73<sup>rd</sup> and 74<sup>th</sup> Amendment to the constitution, India has moved from two level federations to multilevel Federalism. It has made the country '*a cascading federalism, and a federation of federations*'. *At another level, to accommodate the aspirations of ethnic Gurkhas of West Bengal, Bodo tribals of Assam and Budhist Ladakhi community of Jammu & Kashmir, councils such as Darjeeling Gorkha Hill Council (1988), Bodoland Autonomous Council (1993) and Autonomous Hill Council for Ladakh(1995) have been created to give further impetus to multilevel federalism.*

Although the Indian federal System has been dynamic in accommodating political & societal changes and keeping the country together, there has been fundamental transformation of the operative principles of Federalism. A paradigm shift has been caused due to '*Disarray of the Party System, Neo-Economic liberal policies, Globalization and Activism of Political Institutions*'.

Since the birth of Coalition Government in the late Seventies the centralized thrust of the earlier years has yielded to some kind of confederation operation of the political system, making the formulation and implementation of public policies as '*consociational*' exercise between the political elites at the two levels of Government, along with third level of elected local bodies.

The re-assertion and articulation of Sub-regional diversities has produced an inexorable trend towards greater federalization. The last three parliamentary elections from 1996 onwards and the fractured electoral verdicts in several states during the past few years have demonstrated that the country is set for a coalition order of Government in years to come. At the theoretical level there is a new found equilibrium in the system in context of changed reality of politics, economy and society.

The federal Government's new economic reforms of the nineties have also given another sling shot to the federalization thrust. As these reforms focused on the realignment of Indian economy to global markets have serious implications for states' economies and electoral fortunes, the regional leaders have got into the mode of demanding partnership in the federal policy-making processes that concern multilateral arrangements with International organizations like IMF, World Bank & the WTO. At another level inter-regional competition of sorts has come to mark the behavior of State-Governments in their endeavour to attract more foreign direct Investment. The tentative assessment of the impact of changed economic order in the wake of Globalization is that it is likely to cause increased disparities between the Rich and the Poor States or between the FDI magnets like Maharashtra, Gujarat, Andhra Pradesh and Tamil Nadu and FDI Laggards like Bihar, UP, Assam and J & K. The resulting regional disparities are likely to become a matter of a great concern to the federal Government which may have to assert little more in establishing a more egalitarian order. Notwithstanding this, Globalisation does provide opportunities for acceleration of economic development leading to enhancement in the quality of life, access to new technologies besides promotion of greater democratic decentralization.

*The federalization process has also been augmented by more active role of President of India, the Central Election commission and the Supreme Court of India who have been watchful to ensure that rules of the game in their respective Constitution Jurisdiction are respected by the political & administrative authorities at the federal as well as state level.* The President does not routinely sign every federal recommendation for the President's Rule any more. The Election commission also stood firm and did not give in to the arbitrary order of the Executive in holding early elections in Gujarat in 2002. In the same vein the Judiciary has not hesitated in reprimanding the Federal Government at least on two orders of the Government; one the proclamation of Presidents' Rule under article 356, two, regarding River dispute between Karnataka and Tamil Nadu. The chief Justice categorically ruled that the power to dismiss an Elected State Governments was not absolute but conditional. The federalization has also been strengthened by decline in the role of centralized planning, creation of a series of independent regulatory agencies and appellate tribunals under parliamentary statutes in such vital sectors of the economy as communication, electricity, insurance, finance, stock exchange, etc. besides greater visibility of Human Rights Commission, Minorities Commission, Scheduled Castes and Tribes Commission appointed either under the Constitution itself or a parliamentary statute.

The current ruling coalition United Progressive Alliance (UPA), under the leadership **Mrs. Sonia Gandhi** with **Dr. Manmohan Singh** as the Prime Minister has promised to give the country a transparent, responsive and accountable Government with the following objectives to strengthen India's federal credentials:

- To protect and promote social harmony, secularism and enforce law to curb Fundamentalism and Communalism
- To ensure a sustained economic growth rate of 8% over a decade leading to greater employment opportunities. The economic reforms will have a human face and will ensure that the benefits flowing from such reforms reach the urban and the rural poor.
- To fully empower women politically, educationally, economically in every respect.
- To provide for security and full equality of opportunity, particularly in education and employment for religious minorities and other marginalized sections of society.

To fulfill the objectives the Government is committed to ensure the following:

- Setting up of new Commissions to review Centre-State relations and to bring about reforms in Administration and Public Institutions besides developing National Development Council as a more effective instrument of Cooperative Federalism.
- Constitutional Amendment to ensure the democratic, autonomous and professional functioning of cooperatives.
- Enhancement in public investment in agricultural research and extension and rural infrastructure besides development of rural cooperative credit system and water management.

- Restructuring of National Integration Council to bring about meaningful harmony between diverse social entities.
- Raising the public expenditure by 2% of the GDP on education and health.
- Encouraging rural women and their Associations to resume responsibility for development schemes.

The Government shall continue to accord special status to J&K under article 370. Dialogue with all groups with different shades of opinion in J&K will be pursued on a sustained basis, in consultation with the democratically-elected State Government. Fresh Investments will be made to develop power, tourism, cottage industry and infrastructure. It is also determined to tackle militancy and insurgency in the North East as a matter of urgent national priority and allocate additional resources for its development with a view to exploit its enormous potential to make it a gateway to South East Asia. However, it is committed to maintaining the territorial integrity of existing North Eastern states.

The government is committed to maintaining tradition of an independent foreign policy, built on national consensus and based on supreme national interests. It recognizes that terrorism, internal conflicts; failing states and proliferation of weapons of mass destruction continue to pose threat to many regions of the world. The unresolved regional conflicts have impeded the process of development which is indispensable for fulfillment of objectives of combating hunger, poverty, illiteracy and disease in many nation states. These can be accelerated in an atmosphere of durable peace and stability. India will expand the network of international relationships, preserving solidarity with traditional allies and strengthening new partnerships. It will work with like-minded nations for an equitable, multi-polar world order, which takes into account the legitimate aspirations of developing countries.

It will actively pursue the composite dialogue with Pakistan to resolve all issues including Jammu and Kashmir. It recognizes that resolution of major issues requires national consensus and accommodation of public sentiments in both the countries.

In relations with China bilateral economic cooperation has shown remarkable growth and diversification. It shall carry forward the process of discussion to resolve the boundary question from the political perspective of bilateral relations.

Besides playing a leading role in the SAARC movement, India is now also a member of ASEAN Regional Forum and a dialogue partner with observer status in Asia Pacific Economic Cooperation. Following the anti-terror Afghan scenario, security situation in the region has altered. India can now look forward to an era of greater global and regional integration in economic terms as well.

But it would not be very easy. All South Asian democratic countries have minorities living on their borders as well as deeper within. Ethnic affinities are stronger than national identities and can be easily channelised into dissent and insurrection against the State or violence against other ethnic groups. The temptation to aggravate these tensions with ulterior motives by all concerned is often too frequent to resist, especially in a culture of poverty,

criminalization, and inter-state rivalries in a region with feudal past and contemporary trends of militarization. Major states of South Asia must behave like national security states even in the post cold war era of global and regional integration. Security in such a situation is primarily conceptualized in statist and elitist terms rather than in human and welfare terms.

Surrounded by patched pockets of affluence in Australia Pacific, Central Asia, China and the Persian Gulf, India holds out enormous promise of growing into a zone of exclusive democratic development. The land of Buddha, Gandhi, Nehru and Ambedkar which began a post-colonial multicultural federal nation building experiment following the British in the 50s as an alternative model to authoritarian and Communist regimes must still stand out as a beacon of democracy and development with justice and equity.

No system of governance is perfect. India has certainly grappled with numerous challenges since its independence with dexterity. However, given our diversity, the Indian state has managed to accommodate varied aspirations with unparalleled resilience. Indeed over the years not only has India held on to its democratic traditions but has also witnessed deepening of its Democracy