Federalisation Of Indian Foreign Policy

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ABSTRACT

India’s new Prime Minister Narendra Modi has promised to work with the chief ministers of the country’s 30 states/provinces in the spirit of cooperative federalism. He is prepared even to make the chief ministers “partners” in conducting the country’s foreign policy, hitherto an exclusive concern of the central government in New Delhi. In fact, Modi is only reflecting the changes that have occurred in India’s federal evolution, of late. The rise of the regional parties and the consequent phenomenon of coalition politics at the centre have made it difficult on the part of the central government to ignore provincial sentiments in matters pertaining to the country’s external behaviour. There are often clashes between narrow local concerns of the states and the broad global vision of the central government. There is thus an imperative need for some sort of a balancing act for India’s federal future.
Despite being widely perceived to be authoritarian in his working style, Narendra Modi, India’s new Prime Minister, has promised to work with India’s Chief Ministers, the elected heads of the governments of India’s 30 states/provinces, in resolving the country’s myriad problems. In its election manifesto for the 2014 general elections, Modi’s Bharatiya Janata Party (BJP) has promised that the Modi-led central government “will place Centre-State relations on an even keel through the process of consultation and strive for harmonious Centre-State relations”, that it “will be an enabler and facilitator in the rapid progress of states. We will evolve a model of national development, which is driven by the states” and that “Team India shall not be limited to the Prime Minister led team sitting in Delhi, but will also include Chief Ministers and other functionaries as equal partners”.  

While talking of making the chief ministers equal partners, Modi has said that the partnership would deal with all the issues, including foreign policy challenges, facing the country. Delivering the Nani Palkhivala memorial lecture at a function organised in Chennai in October, 2013 by the Palkhivala Foundation, Modi, the Chief Minister of Gujarat since 2002, attacked the incumbent Congress-led United Progressive Alliance (UPA) government’s (led by Prime Minister Manmohan Singh) foreign policy as “a mockery” and “Delhi-centric”. He, instead, advocated an assertive foreign policy that would also involve the States. “India is not just Delhi. The foreign policy should be decided by the people and not by some politicians sitting in Delhi,” he said. He wondered why bilateral or international conferences and summits should not be held in States. Giving a hypothetical example, he said that if and when the Prime Minister of Britain visited India next, all his official meetings need not be held in New Delhi. Instead, Chennai should be allowed to host the visit. Pointing out that his State, Gujarat, had entered into partnership with Japan and Canada, he mooted a new role for States in external affairs and suggested that each State be allowed to have partnerships with other countries.

Of course, Modi wants to legitimise the newly emerging trend in India of the States in interfering in the foreign policy matters that have been, otherwise, an exclusive preserve of a select few in the central government. Predictably, this trend has been criticised by many who say that the new process, where foreign policy-
making is becoming subservient to short-sighted political interests of regional-state parties and leaders, is actually working contrary to the logic of India’s national foreign policy interests and objectives. These critics, therefore, do not approve of West Bengal Chief Minister Mamata Banerjee dictating terms to New Delhi with regard to sharing of Teesta river water with Bangladesh, or for that matter Tamil Nadu Chief Minister J Jayalalithaa determining contours of India’s policy towards Sri Lanka under the plea of security of Sri Lankan Tamils. Going by their logic, India is gradually losing the larger picture if its role in global affairs is to be determined by regional-state parties. The latter is seen as a dangerous trend in foreign policy because ‘local factors’ cannot be allowed to dictate strategic and defence policies for the whole country.

The Federal Dominance

Constitutionally speaking, foreign-policy is a subject that is the exclusive domain of the Central Government in India’s federal arrangement. The primary institutions for framing and implementing foreign policy are the External Affairs minister, the bureaucracy attached to his ministry (Ministry of External Affairs) and also the Prime Minister and his office. It is the Central Government that can declare war; conducts relations with foreign nations and international organisations; appoints and receives diplomatic and consular officials; concludes, ratifies, and implements treaties; and acquires or cedes territory.

Besides, it so happens that because of the complexities of the subject, only a few individuals associated with the Central Government mostly dominated in interacting with the outside world. During the Nehru era (Jawaharlal Nehru, India’s first Prime Minister), India’s foreign policy making process was entirely controlled by Nehru’s charisma and personality, although at times, he was helped by the likes of KM Pannikar, KPS Menon (while dealing with the then Soviet Union and China), Girija Shankar Vajpayee and Krishna Menon (in matters pertaining to the United Kingdom and the United States). This trend, of the Prime Minister and some of his or her trusted ministers and bureaucrats monopolising the making the foreign policy, without any proper institutional frameworks was further legitimised by Nehru’s
successors such as Indira Gandhi, Rajiv Gandhi and PV Narasimha Rao.

More or less, the same has been the trend under the non-Congress governments. Atal Behari Vajpayee, India’s first BJP Prime Minister, carried out the Congress legacy. Though the Vajpayee government established the so-called National Security Council and created a new post of National Security Adviser (NSA), there is hardly any evidence that it was working the way it was intended. In a way, under Vajpayee the foreign policy making base became narrower than what it was even during the Congress regimes. It was totally dominated by the then NSA, a former Foreign Service official, who also happened to be the Principal Secretary to the Prime Minister. Over the years, the NSA has become the czar of the Indian foreign policy bureaucracy. My personal interactions with the senior officials of the Ministry of External Affairs (MEA) and retired Foreign Secretaries suggest that under the Manmohan Singh government, the base of Indian foreign policy-making has become the narrowest ever, with everything being controlled by the NSA and the Prime Minister’s Office (PMO).

However, as has been pointed out above, this overcentralisation of foreign policy making has been coming under increasing challenges, of late. The West Bengal Chief Minister’s stance on the proposed Teesta water-sharing agreement or the pact on the exchange of enclaves with Bangladesh has weakened the central government and strained India’s ties with Bangladesh in the process. In 2013, because of the pressure from both the ruling and opposition parties in Tamil Nadu, Manmohan Singh dropped the idea of attending the Commonwealth summit in Colombo. In fact, the Tamil Nadu factor also forced the central government vote against Sri Lanka in the United Nations Human Rights Commission (UNHRC) in 2013. This year, of course, there has been some course correction when the UNHRC met - India abstained during a voting on a resolution that took the Sri Lankan government to task over its treatments of the Tamil minorities.

As we will see later, these instances are illustrative, not exhaustive. The point to note here is the fact that the centralised foreign policy-making in India is being resisted by the federal elements. Of course, it would be wrong to say that in the earlier days, the state governments were totally neglected by the central government in the formulation of foreign policy. At the height of the Sri Lankan civil war in 1987, when
the then Rajiv Gandhi government decided to airdrop food in Jaffna in 1987, it had reportedly ‘flown in’ the Tamil Nadu chief minister, MG Ramachandran, to Delhi for consultations. Similarly, while concluding the Farakka treaty with Bangladesh (sharing the Ganga water between India and Bangladesh), the then Deve Gowda government in Delhi accorded considerable weightage to the suggestions of the then West Bengal Chief Minister, Jyoti Basu. However, all these were part of the consultations; the central government took suggestions from the federal units, but was not necessarily bound by them. In contrast, what is being witnessed today is that the States want to dictate what India’s foreign policy should be towards the countries which vitally affect them, particularly those that border them.

**Evolving Federalism**

As Prof. Balveer Arora has said, “Indian federalism remains, in essence, work in progress”. It has been evolving over the years. The monopoly power and authority of the central government with regard to foreign policy has been the result of “a very centralised federation,” which India is under its constitution. The constitution drafters, influenced by the post-partition environment (the division of British India into India and Pakistan in 1947), wanted the country to have “a unitary system with some federal features.” India is therefore described as “quasi-federal”. We may see thus in the following paragraphs how the provisions of the Indian Constitution have given a virtual monopoly to the Central government in the area of foreign policy.

We may begin with the “Part IV” of the Indian Constitution that deals with “Directive Principles of State Policy”. The provisions contained in this “Part” may not be enforceable by any Court, but the principles laid down therein are nevertheless fundamental in the governance of the party and it is the duty of the government (both central and states) to apply these principles in making laws. From the point of view of the foreign policies, we may say that the “principles” here are the guidelines to the central government.

Under this “Part”, Article 51 of the Indian Constitution talks of “promotion of international peace and security”. It says that “the State shall endeavour to {a}promote international peace and security;

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{b}maintain just and honourable relations between nations; {c}foster respect for international law and treaty obligations in the dealings of organised people with one another; and {d}encourage settlement of international disputes by arbitration”.

However, it is the central government which, under the “Seventh Schedule” of the Constitution (which distributes functions between the central and state governments) is empowered to deal with or make laws on foreign policy. Article 246 of the Constitution says in its entry no.10, 11, 12, 13, 14, 15, 16, 17,18, 19,20, 21, that the Union or Central government is responsible for “Foreign Affairs: all matters which bring the Union into relation with any foreign country”, United Nations, international conferences/associations, “entering into treaties and agreements with foreign countries and implementing of treaties, agreements and conventions with foreign countries”, power to make “war and peace”, and “piracies and crimes committed on the high seas or in the air; offences against the law of nations committed on land or the high seas or in air” etc.

It may be noted here that in the Constituent Assembly that was drafting the Indian Constitution, there were serious suggestions by some members that the Central government alone should not be entrusted with the power of entering into treaties and agreements, which might encroach on the legislative sphere of the state on subjects mentioned in the “State List”. They argued for the concurrence of the State before any international agreement is reached. K. M. Munshi, for example, argued that a bicameral Union Legislature has the representation of the State where such issues relating to international agreement can be discussed. He pointed out that “before a decision is implemented it will come before the Central Legislature; that Legislature will fully debate upon it; and it will then decide whether it will implement that decision or not. It is not going to be taken behind the back of the representatives of any member of the Union; it means not only the Lower House but the Upper House as well as the States – will have the right to vote upon it and bring to bear upon it the influence of an all-India opinion. That is the effect of the clause as it stands. Therefore, it is not as if something will be done behind the back of any State or province. India as a whole assembled in these two legislatures will consider the point of view of each unit as put forward
before it and then come to the conclusion in the interest of the whole India”.

However, this suggestion was rejected by the Constituent Assembly debating on Union powers. It was decided that the Central government’s international persona should have sole authority. Gopal Swami Ayyangar argued, “but we have got to remember that we go to these Conferences representing India as a whole, i.e. the Federation and the Units combined, and if we are empowered to subscribe to the decisions arrived at those Conferences, it is only right that we should be in a position to implement those decisions which we agree at those Conference. It is no use our assenting to such decisions and coming back Home to find that we at the Centre are unable to implement them, but have to remit those decisions to the various units for the purpose of arriving at their own decisions in regard to such matters and either implementing those decisions or refraining from implementing them...It does not mean that every decision that is arrived at those Conferences is necessary to be implemented by legislation. It only means that, if it is decided that those decisions should be implemented, the Federation should have power to legislate about them.”

No wonder why soon after independence, all major treaties that India had entered into with other countries -the Indo-Bhutanese Treaty of 1949, the Nehru Liaquat Agreement of 1950, the Indo-Nepalese Treaty of 1951, the India-China Agreement of 1954, the Tashkent Agreement of 1965, the Indo-Soviet Treaty of 1972, the Shimla Agreement of 1972 and the Indo-Lanka Accord of 1987- were never discussed or debated in Parliament in advance, let alone State governments being briefed about them. Even after the treaties were concluded, the parliamentarians, in the absence of any mandatory requirement of the Parliament’s approval for their ratification, have been helpless in modifying the texts.

This practice is unlike the ones in leading democracies such as the United States and Australia, where legislative approval of international agreements, which their governments arrive at, is mandatory. In fact, Australia does not ratify a treaty or accept an obligation under the

7 See Constituent Assembly Debates (Lok Sabha, Government of India), vol.15, p.6.
treaty until appropriate domestic legislation is in place in respect of treaties where legislation is necessary to give effect to the treaty obligations.

Incidentally, an opposition parliamentarian, George Fernandes, on March 5, 1993, had given notice of intention to introduce the Constitution (Amendment) Bill, 1993 in the Lok Sabha (Lower House) for amending article 253 to provide that treaties and conventions be ratified by each House of Parliament by not less than one half of the membership of each House and by a majority of the legislatures of not less than half the States. But the Bill was not listed for consideration during the life of that Lok Sabha. Prior to that, in February 1992, M A Baby, a Rajya Sabha (Upper House) member, had also given a similar notice. His Bill came up for discussion in the Rajya Sabha only in March 1997. But it did not go beyond the discussion-stage.

It is important to note that during the discussions, the then India’s President Pranab Mukherjee, whose Congress party was supporting the then minority United Front government, had strongly argued as a Congress law-maker in favour of “the Executive” (the Central government) retaining its primacy in treaty making. He had pointed out that if parliamentary approval would be mandatory for the conclusion of all treaties, then given the divisive nature of the polity, no important and sensitive treaties such as the water-sharing treaties with Nepal and Bangladesh and World Trade Organisation (WTO) agreements could ever have received India’s accession. He had only conceded that Parliament could have informed debate and discussion on the relevant provisions of the treaty, but without any power to veto it.

There are undeniable merits in the Parliament and the public being progressively more involved in the process of treaty-making in a democracy because in these days of globalisation, it is ultimately the people whose rights and entitlements are going to be affected by these treaties. In fact, the National Commission to Review the Constitution (NCRWC), which had been set up by the Vajpayee government, had suggested the creation of a “ten to fifteen member-committee” of Parliament to whom every treaty, agreement, or convention proposed to be signed or proposed to be ratified shall be referred.
It had envisaged that while placing the draft or signed treaty before such a committee, a statement setting out the important features of the treaty or agreement, reasons for which such treaty or agreement is proposed to be entered into, the impact of the treaty upon our country and upon our citizens, should be clearly and fully set out. The committee will then decide within four weeks of such reference whether the treaty should be allowed to be signed by the Union Executive without referring the matter for consideration to Parliament or whether it should be referred to Parliament for consideration.

Alternatively, the NCRWC had also proposed a new law made by Parliament categorising the treaties, agreements, conventions and covenants viz., (a) those that the executive can negotiate and conclude on its own and then place the same before both Houses of Parliament by way of information. In this category simple bilateral treaties and agreements which do not affect the economy or the rights of the citizens would be included. (b) Those treaties which the executive can negotiate and sign but shall not ratify until they are approved by Parliament. Here again, a sub-categorisation can be attempted: some treaties may be made subject to approval by default (laying on the table of the House for a particular period) while others must be made subject to a positive approval by way of a resolution.

Given the swiftly-shifting political party coalitions in India, many thought that the second suggestion made better sense, because a consensus within the Parliamentary committee to determine the nature of the treaties, as per the first suggestion, would prove highly elusive. However, all these suggestions of the NCRWC have remained only on paper, with the result that constitutionally speaking, the Central government remains omnipotent on foreign policy matters. Even the NCRWC’s final recommendation in this regard has not found any favour with the Central government. The Commission had recommended that “for reducing tension or friction between States and the Union and for expeditious decision-making on important issues involving States, the desirability of prior consultation by the Union Government with the Inter-State Council may be considered before signing any treaty vitally affecting the interests of the States regarding matters in the State List. Inter State Council, it may be noted, is reconstituted from time to time by the Prime Minister under

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Article 263 of the constitution as a consultative body involving the Central and State governments. Its members are senior Union Cabinet Ministers and all the Chief Ministers of States and Union Territories.

In fact, the Constitution of India provides overriding power to the Central Government to legislate even on matters falling within the purview of the States as provided in Schedule 7 of the Indian Constitution. Article 249, for example, says: “Notwithstanding anything in the foregoing provisions of this Chapter, if the Council of States (Upper House of the Parliament) has declared by resolution supported by not less than two-thirds of the members present and voting that it is necessary or expedient in the national interest that parliament should make laws with respect to any matter enumerated in the State List specified in the resolution, it shall be lawful for parliament to make laws for the whole or any part of the territory of India with respect to that matter while the resolution remains in force”. Such a law, if made, will remain in force for one year and can be renewed for another year.

When this Article was debated in the Constituent Assembly, V S Sarwate, representing the then Madhya Bharat, reacted to the phrase “when it is necessary or expedient in the national interests”, and said: ‘the national interests give much wider scope than emergencies. As this is so, the argument in favour of the centre legislating for emergencies does not apply. It seems to me power given here is wider than necessary.’ However, Brajeshwar Prasad from Bihar argued that a Provincial subject can be a Central subject if it is of national importance. He said: ’there are no central or provincial subjects. All subjects must remain integrated...The people of Delhi can know whether a subject has assumed the proportion of national importance or not. People living in the provinces are engrossed with provincial problems; their outlook is narrow and circumscribed... It is no use frustrating and creating obstacles in the way of the central government. Let us not emphasise centrifugal tendencies’.

Coalition Compulsions And Changes

There have been however simultaneous trends, particularly since 1989, which have been resisting the over-centralisation of
foreign policy making in India. Initially, these were not given adequate attention, but now things are different. One cannot just ignore them. To begin with, many States wanted to have a say in the process, particularly when the economy opened up and globalisation started impacting the daily lives of ordinary citizens. And in some cases, the Central Government did, grudgingly though, allow the individual States to deal directly with foreign players. Two important developments resulted in this situation, which marked the beginning of the process of “federalisation of foreign policy”: the increasing regionalisation of Indian politics and economic liberalisation.

Since 1989, no major party has been able to win an absolute majority in the Lok Sabha. As a consequence, every government since 1989 has either been a minority government, with supporting partners, or a coalition. As Prof. M P Singh argues, “the 1989 Lok Sabha election finally proved to be the turning point in the process of federalisation of the Indian political system, defined by an increase in autonomy of State governments and State units of national parties and the greater clout of regional parties”. No Prime Minister could now dictate, like Rajiv Gandhi and Indira Gandhi did, who would be the Chief Ministers in the states. No Prime Minister could now dare to dismiss the State governments, particularly those belonging to opposition parties, all that easily as was the case during the Indira Gandhi days. And that was primarily because there was not a single party which could form a government at the Centre and survive on its own strength. Each Indian government in Delhi since 1989 has been a coalition one or some of its variations. While the Prime Minister has belonged mostly to the single largest party in the Lok Sabha, his/her government has consisted of smaller regional parties.

Janata Dal-led National Front government under V P Singh (1989-90) was unstable, essentially because it was a minority government based on the outside support (they did not join the government), of the BJP and CPM. It fell when the BJP withdrew its support from the government over the controversial issue of mosque vs. temple in Ayodhya. A breakaway group of the Janata Dali, consisting of only about 50 members of Parliament MPS formed the next government under Chandra Shekhar with the outside support of the Congress.

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party, but the arrangement did not last for even six months. The Congress minority government of P.V. Narasimha Rao (1991-1996) precariously managed to hold the fort for a full term, but this was done through a highly dubious manner of buying the support of the small parties through bribery and defection to win the votes of confidence in the Lok Sabha.

Of course, in between 1996 and 1998, the then single largest party, the BJP, was denied power, but the government of the day, the Janata Dal-led United Front, first under Deve Gowda and then under I K Gujral, was a conglomeration of small parties supported by the second largest party of the day, Congress, from the outside, ensuring thereby that the government had the legislative majority in the Lok Sabha, the prerequisite for remaining in office. This experiment fell prematurely as the Congress withdrew the support on some trivial issues. The BJP-led National Democratic Alliance (NDA) government of Atal Behrari Vajpayee (1999-2004) and the Congress-led United Progressive Alliance (UPA) government of Manmohan Singh (2004-2009) proved that coalition governments could last their full terms of five years each. In fact, Manmohan Singh also won, with a strengthened Congress tally, the 2009 elections and thus became the head of the first incumbent federal coalition government to be reelected for another fresh term of five years. This, as Douglas V. Verney says, means that “India has arguably come a long way from being quasi-federal to quasi-confederal in the last two decades”12.

The advent of the multiparty system with federal coalition governments allowed regional parties to acquire a decisive balancing role in government. It, as Prof. M P Singh says, created an unprecedented federal matrix in the country. The transition of the Indian party system – from being a one party domination (Congress) to a multi-party configuration with federal coalition/minority governments brought about unprecedented changes in the Union Executive and the management of Parliament. The Prime Minister could no longer afford to ignore the concerns of the regional chieftains whose parties were crucial for the survival of the Central government. Even if the Vajpayee-led NDA and Manmohan Singh-led UPA completed their terms, the facts remain that the regional chieftains

have demanded their price, thus constraining the autonomy of the Central government in determining the national policies, including those on security and foreign policy issues. These chieftains have even coerced the Prime Minister to select and dismiss his cabinet colleagues, let alone allocating them portfolios of his choice. And it is these chieftains who have often dictated certain foreign policy behaviours, particularly with regard to neighbouring countries.

It was the relentless pressure from the Dravida Munnetra Kazhagam (DMK) party in Tamil Nadu, until recently one of the important constituents of the UPA, which forced the Manmohan Singh government to compromise on its traditional and consistent policy towards Sri Lanka – autonomy of the minority Tamils in a united, multi-ethnic and democratic Sri Lanka. In fact, if Sri Lanka, one of India’s steadfast friendly neighbours, has gradually alienated itself from New Delhi and moved closer to China, it is because of the Tamil Nadu factor that the Manmohan Singh government has not been able to cope with. It is not certain that a Modi-led government’s policy will be different either, because Modi’s existing allies in Tamil Nadu and the possible future ally, the All India Anna Dravida Munnetra Kazhagam (AIADMK) of Chief Minister Jayalalitha, are equally against the Sinhalese-dominated government in Colombo. All told, Sri Lanka is Tamil Nadu’s immediate neighbour and Indian Tamils have deep cultural and civilisational ties with Sri Lankan Tamils.

The same is the case of West Bengal in India’s relations with Bangladesh. West Bengal borders Bangladesh. At present, it is under the rule of another regional party, Trinamul Congress, which not so long ago was an important constituent of the UPA. Prime Minister Manmohan Singh, before his visit to Bangladesh in September 2011, had prepared, in consultation with his Bangladeshi counterpart Sheikh Hasina, a package of agreements to resolve many of their bilateral irritants. These included settling a border that includes nearly 200 enclaves on both sides that are under the sovereignty of the other, division of the waters of Teepti, one of their shared rivers, transit for India to areas east of Bangladesh, and expanding trade. However, a week before Singh’s visit, Banerjee, Chief Minister of West Bengal, denounced the water sharing agreement. Her opposition nearly scuttled the whole trip, to both sides’ great embarrassment.
India’s leftist (communist) parties, particularly the Communist Party Marxist (CPM) and Communist Party of India (CPI), are not regional parties in the strict sense of the term, but in effect they are as their influence is confined to the states of Tripura, West Bengal and Kerala. During the first term of the UPA government, they were important allies of the Congress. But things changed when Manmohan Singh decided to conclude the historic Indo-U.S. nuclear deal in 2007-08\textsuperscript{13}. The Left quit the UPA, reducing the government to a minority. However, Manmohan Singh’s government survived the vote of confidence by 275 votes against 256 in Lok Sabha on the sole issue of the Indo-U.S. nuclear deal. This was thanks to its new found ally, the Samajwadi party, the regional party from Uttar Pradesh, India’s largest State in term of population, which sends the biggest contingent of Members of Parliament to the Lok Sabha. This episode underscored once again the importance in recent times of regional parties of various states in Indian foreign policy matters.

Another significant development that is making States’ Chief Ministers partners with the Central government in the foreign policy arena is the phenomenon of globalisation, marked by economic liberalisation. As it is, the scope of India’s foreign policy has expanded to include economic, social, cultural and environmental issues. There is now a setting in which states can play a key role in foreign economic policy, by seeking foreign direct investments and promoting foreign trade. No wonder why every Indian Chief Minister now undertakes periodic trips abroad to seek investments in his or her state. He or she participates in negotiations with foreign investors directly. Interestingly, as Union Finance Minister in a United Front government, P. Chidambaram (who was also Prime Minister Manmohan Singh’s Finance Minister) is the one who had taken the initiative of allowing Chief Ministers or their Finance Ministers to directly go ahead to explore and make investment deals abroad. Therefore, we see these days how Chief Ministers of West Bengal, Karnataka, Kerala, Madhya Pradesh, Gujarat, Andhra Pradesh, Odisha, Bihar, Maharashtra, Punjab and Delhi have been making regular official visits of foreign countries to solicit foreign investment.

Likewise, some States have concluded agreements with foreign companies. For instance, in 1996, the then Maharashtra government

negotiated a power-purchase agreement with then existing Enron Corporation of the United States. Recently, the Odisha government struck a deal with South Korean giant POSCO, which, if implemented, will be India’s largest ever foreign investment. That these examples in Maharashtra and Odisha have been controversial is a different matter; important here is to note that the Central government did not block them; rather, it facilitated them. What all these instances underscore is the fact that States are clamouring for bigger roles in external relations, which, until recently, were the exclusive preserve of the Central government.

When one talks of globalisation and the consequent interconnectedness between the peoples of various regions of the world, the State governments do get concerned if the people of the States are adversely affected by the impact of globalisation\textsuperscript{14}. For instance, in the early 1990s, many State governments were opposed to the then Central government acceding first to the GATT and then WTO under the plea that by so doing the farmers in the States will be badly hit. They argued that the Central government, by signing the WTO agreements on ‘Agriculture’, has encroached State’s power on agriculture policy. Some States even took the central government to Court. Similarly, when in the 1994 assembly elections, the Congress party, which was ruling at the Centre, had to face poll reversals in the two southern States of Karnataka and Andhra Pradesh, a noteworthy factor was said to be the condition of the fishermen who had been badly affected following the Central government’s decision to allow multinational corporations into deep-sea fishing. This had become an important electoral issue espoused by the opposition.

In other words, India’s State governments are increasingly becoming active and vocal on areas such as foreign investment, developmental aid and loans and trade agreements on agriculture and other industries. The “liberalisation-privatisation-globalization” shift in India’s economic policy regime has contributed towards the country’s increasing federalisation as much, if not more, than the transformation of the country’s party-system.

\textsuperscript{14} Nanda Prakash, “Parliament’s new ascendancy in foreign policy-making”, \textit{The Times of India}, May 20, 1997
Need For A Balancing Act

Whether growing federalisation of foreign policy is good or not depends on many variables. By its very nature, the term “federalisation” presupposes a balance of political forces between the inherent tendencies of parliamentary centralisation and federal decentralisation. But, as Prof. M P Singh has argued, what has actually happened in India is that there is more “regionalisation” than proper “federalistion”. This, in turn, has strained many democratic institutions in the country. Regional leaders may have become assertive on certain issues where there is disagreement with the Central government, but they have not cared to stress on specific institutional mechanisms or use the existing one to reconcile their differences with the central leaders.

As a result, in many cases, there has been policy-paralysis. The concerns of these regional leaders have essentially been their respective political compulsions that have no necessary correlations with India’s long-term foreign policy or economic goals. This explains why one has growing tussles between the Centre and the States on issues such as the sharing of waters of international rivers, attracting foreign investments, be it in the fields of multi-band retail or nuclear projects (agreed upon to be set up in Maharashtra and Tamil Nadu). There is also the example of the uncertain future of the South Korean giant POSCO’s plan to build a $12 billion steel plant in the eastern State of Odisha – India’s largest foreign direct investment project – following the State government’s suspension of the land acquisition for this project in the face of opposition from the people of this iron-ore rich region who will be displaced because of the industrial project. All these examples prove how domestic politics in India can sweep aside the normal foreign policy process, making decisions and follow-up unpredictable. And, such instances are likely to multiply as India’s economy grows and its integration with the global economy becomes more important.

Federalisation of Indian foreign policy has been conditioned the most by its “Border States”. India borders Pakistan, China, Bangladesh,


Nepal, Bhutan, Myanmar, Thailand, Indonesia, Sri Lanka and the Maldives. In effect, what this means is that any development in each of these countries has its fallout on the contiguous Indian states. India-Pakistan relations thus affect Gujarat, Rajasthan, Punjab and Jammu and Kashmir; India-China relations affect Kashmir, Uttarakhand, Himachal Pradesh, Sikkim and Arunachal Pradesh. India-Nepal relations spill over to Bihar, Uttarakhand, Uttar Pradesh, Sikkim and West Bengal; India-Bhutan relations impinge upon West Bengal, Sikkim, Arunachal Pradesh and Assam; India-Myanmar relations will have impact on Arunachal Pradesh, Nagaland, Manipur and Mizoram; India-Bangladesh relations have implications for West Bengal, Tripura, Meghalaya, Mizoram and Assam; India-Sri Lanka relations are closely intertwined with the politics of Tamil Nadu; and India-Maldives relations will have its impact on Minicoy Islands. As of now, Thailand and Indonesia have not become domestic factors in India, and that may be due to the fact that they are maritime neighbours with distance.

Prof. V Suryanarayan has a valid point that before the advent of the coalition-era in Delhi, the Central government hardly bothered about the sensitivities of the Border States while dealing with the neighbouring countries. As he argues, “The Sirimavo-Shastri Pact of October 1964, by which large sections of the people of Indian origin in Sri Lanka (Ceylon) were given Indian citizenship, was concluded without taking into considerations the wishes of the affected people. It was also opposed by important political sections in Tamil Nadu. Rajagopalachari, Kamaraj Nadar, Krishna Menon, Annadurai and Ramamurthy criticised the inhuman agreement as a betrayal of the Gandhi-Nehru legacy. Similarly, the India-Sri Lanka maritime boundary agreements of 1974 and 1976, which ceded the island of Kachchatheevu to Sri Lanka and bartered away traditional fishing rights enjoyed by Indian fishermen in the Palk Bay region, was opposed by the ruling party and the opposition in Tamil Nadu. Even constructive suggestions made by the government of Tamil Nadu for improvement of bilateral relations were ignored by the Mandarins in South Block. Chief Minister CN Annadurai was deeply concerned with the involuntary repatriation of Tamil labourers from Burma consequent to the nationalisation of retail trade and the related issue of non-payment of compensation due to them. After analysing the pros and cons of the issue, Annadurai wrote a letter to Prime Minister 21, 2014, http://www.brookings.edu/blogs/up-front/posts/2013/04/02-india-foreign-policy-domestic-schaffer-schaffer.
Indira Gandhi suggesting that India should enter into a long-term trade agreement with Burma for import of rice, and compensation given that Burmese repatriates could be adjusted in the proposed deal. It may be recalled that in the mid-1960s, India was facing an acute shortage of food grain. It is unfortunate, but true, that this concrete proposal did not elicit any favourable response from New Delhi”.  

This situation, however, has undergone a transformation in the present coalition era. As we have seen, Manmohan Singh’s last-minute cancellation of his plan to attend the Commonwealth Heads of Government Meeting (CHOGM) summit in Colombo was a measure placating the Tamil Nadu politicians. Similarly, though he could not manage to win over Mamata Banerjee before his visit to Bangladesh in 2011, the fact remains that his entourage to Dhaka included four chief ministers – Tarun Gogoi of Assam, Mukul Sangma of Meghalaya, Manik Sarkar of Tripura and Lal Thanwala of Mizoram. It may be noted in this context that when Atal Behrai Vajpayee undertook his much-admired bus journey from Delhi to Lahore in Pakistan in 1999, he made it a point to take along with him the then Punjab Chief Minister Prakash Sigh Badal. All told, the Border States have vital stakes in the neighbouring countries. Local trade between these states and those countries go a long way towards addressing local economic needs. With better people-to-people contacts between these states and those countries, the socio-cultural affinities get strong. It also facilitates cooperation on criminal issues and border-policing.

It so happens that most of the important regional parties that happen to govern the Border States have important concerns with the neighboring countries, that are different from the concerns seen from New Delhi. See the way Punjab and Jammu and Kashmir look at Pakistan, West Bengal looks at Bangladesh, and Tamil Nadu looks at Sri Lanka. Even national parties like the BJP and CPM have their respective world views. It is in this sense that D Suba Chandran makes sense when he argues that the active involvement of the State leaders in foreign policy matters is ‘essentially a balancing act and good for the federal structure of India’. Ideally, this should have been the case since independence. Parties such as the Congress used the ‘divide, exploit and rule’ strategy vis-à-vis regional parties by piggybacking on one

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party or another; to a large extent, this has been the case from Jammu and Kashmir to Tamil Nadu. This balancing act by regional actors, however unstable it appears, should be seen as transition or evolution to a truly federal structure.\textsuperscript{18}

As it is, connectivity between the Border States of India and its South Asian neighbours has increased, of late. Following persisting demands of the local authorities in Sikkim and the neighbouring Darjeeling Autonomous Hill Council in West Bengal, the Nathu La pass to Tibet was re-opened in 2006. Of course, border trades between the two major Asian giants of India and China had started a decade earlier at Sipkila in Himachal Pradesh and Gunji in Uttarakhand. Similarly, frequency and number of bus services to Pakistan has increased over the years, involving the States of Rajasthan, Punjab and Jammu and Kashmir. Connectivity of Indian Border States with Nepal, Bangladesh and Bhutan by rail and road has increased too. There are now better linkages between India’s northeastern states and Myanmar and Bangladesh, with a number of infrastructure-developmental projects in the pipeline. For many years, traders and local authorities in India’s northeast have been demanding the reopening of the Stillwell Road, which links the region with China via Myanmar. In any case, there will be a huge boost for India’s Look East policy once the Border States in the northeast are well connected to South East Asian countries, particularly Myanmar and Thailand.

All this is not to suggest that the Central government or the Ministry of External affairs are going to be irrelevant. The point is that as is happening in other parts of the world, India’s Foreign Office in the South Block can retain the driving seat in the country’s international behaviour by metamorphosing itself “from the role of the gate-keeper, to that of the coordinator”. In fact, some foreign offices have already evolved to the next stage, “the networked catalyst”. For instance, Germany has allowed its provinces to deal directly with the European Union in many matters. Some border-provinces in China have been empowered to deal with the neighbouring countries on some economic matters. The same has been happening in many ASEAN (Association of Southeast Asian Nations) and Latin American countries. In fact, Australia has gone to the extent of replacing its trade commissioners in its American consulates with American nationals under the belief that

\textsuperscript{18} Ibid
they would better sell the Australian products and interests—and thus save money!

With so many States sharing international borders and eco-systems with other sovereign countries in the Indian federal structure, there is every possibility that India’s policy towards a neighbouring country can adversely affect the respective States. Therefore, it is absolutely necessary that the Central government consults the State concerned, takes care of its grievances, and brings it on board while making a decision. At the same time, however, an effective foreign policy requires that the Centre is in a position to draw the line and assert that the national interest must trump any other interest beyond this line. But that will depend on the strength of the party that leads the national coalition in Delhi and on the resolve of the Prime Minister of the day. If over the last five years Indian foreign policy has been widely perceived to have lost much of its sheen, it is because of the inherent weakness of the ruling UPA coalition, which has been voted out of office in the just concluded general elections, to meet the challenges of growing federalisation. But as we have seen, these challenges can also be great opportunities, which, if nurtured, will herald a great federal future for India.
About the author

Prakash Nanda is Editor of Uday India, a national weekly and Geopolitics, a niche monthly devoted to defence, security and diplomacy.

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