

**INSTITUTE OF SOUTH ASIAN STUDIES-SINGAPORE INDIAN  
CHAMBER OF COMMERCE & INDUSTRY PUBLIC LECTURE BY  
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RAFFLES HOTEL**

**SUCCESS OF INDIAN DEMOCRACY AND FEDERALISM  
THE RELATIONS BETWEEN THE UNION AND THE STATES, AND  
THE RELEVANCE OF INDIAN EXPERIENCE IN THE PRESENT  
TIMES**

1. I am indeed happy to be here, and to share my views, on the subject, given to me by the Institute of South Asian Studies, Singapore, with the leaders in politics, trade, and industry and in areas of intellectual activities.

2. Exchange of views is a very powerful means of developing new concepts, systems, policies and philosophies which can help the humanity to face the emerging and future challenges.

3. India has opted for democracy and federalism. To develop its democracy, it has borrowed many elements from the democratic systems developed, and followed in other countries, of the world and mostly Westminster system. The Indian democracy, in its outer form, also has elements which are developed in the soil and indigenously.

4. Indian democracy allows political parties, and individuals, to participate in elections, and governments. Elections to the legislatures at the national and state levels as well as to the bodies at the district, taluka and local levels, take place at regular intervals of five years, or less than five years in some cases. This is provided in the basic law of the country. The voters are allowed to vote, as per their freewill, and no discrimination is permitted on the basis of religion, caste, creed or sex. The elections to the national and state levels have taken place, at the intervals, as per the laws, in a manner which has been appreciated by all in the country, and in the world. As in other parts of the world, in India also, thinking is going on, to improve upon the adopted electoral system, to make it more representative of the wishes of the voters, and do away with some defects with which electoral systems appear to be suffering everywhere.

5. In India, excepting for a fraction of the percentage of the people, all accept the efficacy of democracy and reject other systems which are dependent upon autocratic and dictatorial ethos and attitudes.

6. The success of the Indian democracy can be attributed to the form of democracy which it has adopted, to the acceptance of the people, without reservation of the concept and system of democracy, and the philosophy of life that the Indian people have been following for thousands of years.

7. About the form, on occasions, there have been expressed different views by some thinkers and political parties. However, by and large, the massive majority of the people have always been supportive of the system adopted, which has helped it to function smoothly. Indian people have always shown readiness to accept validity of views expressed by different sections of the society and thinking individuals. They think that the truth has different aspects which cannot be perceived correctly and in totality, if viewed from one angle or direction only. It has its outer form which may look different to different persons, looking at it from different corners and angles and directions. Therefore, it is not wise to be dogmatic and assert that the appearance of it viewed from one direction is the truth and nothing else can be the same. They called this school of thought, Anekantwad. It and other ways of approach towards life have made them considerate and tolerant towards others who hold different views. And, this is the inner core and essence of democracy. In India, it has been there for thousands of years. "Truth is one. But it is explained in different manners. The summit is one, but to reach it, different routes can be followed. This philosophy of life also makes human beings tolerant of others' views, principles and philosophies and can sustain democratic system, for it also teaches accommodation, understanding and tolerance."

8. This inner essence has helped the Indian democracy to sustain itself and to function as it does, more than its outer form and any other aspect of it.

9. Democracy in India is based on very strong foundation which is related to approach towards life. However, as time passes, and new realities become visible on the horizon, in the field of science and technology, in not only global cooperation, but universal cooperation, in the field of cooperation in the cosmos of knowledge, its outer form may adapt to the demands of time and emerging realities. Yet, in its inner essence, it may continue to be not very different for what it is, which is tolerant, cooperative, understanding, unbiased, cosmic in approach, protective of the environment and finer aspects of existence, at the same time competitive and given to achieve excellence, beauty and bliss.

10. India follows the principles of federalism in ordinary times and those of unitary system in times of emergencies. Indian federalism is the result of the historical realities and a desire to protect and preserve the unity amidst diversity and mind boggling variety visible in different parts of the country. The intention in adopting the federal system, as in other countries, which are vast and varied, is to allow different sections of the society to protect and preserve the cultural variety, and allow the people to use their natural and human resources, as per their inclinations and in the best possible manner and to allow the country to adopt a holistic view of the development required to be done, and to make the cooperation of different parts of the country possible, feasible and smooth and mutually beneficial. The big economic projects that need be established, the economies of scale that are required, the new technologies and sciences and new methods of management and governance and need for successful inter-dependence have made federalism necessary in the present times. It gives liberty to the units and helps to use the collective strength of all the units, for the benefit of the parts and the whole of the country. It is likely to be used on a larger scale, in a more refined manner, for the liberty of the units and the unity of the country. The principles involved in it may prove in some ways quite useful in bringing about greater cooperation between the

nations of the world and for promoting worldwide inter-dependence and cooperation and hastening of globalization.

11. In the fields of legislative and executive activities, India follows federal system. In the field of judicial activities, the principles of federalism are not used in the same manner as they are used in the field of legislative and executive activities. For the Union as well as the States, ultimate level of judiciary is one and the same. The Supreme Court of India can decide disputes between the Union and the States, between the States, between the Union and the States and individuals, and between the individuals and can interpret the Constitution of India and other laws. The States have High Courts, which decide the disputes between the respective states and the individuals. At the lower level, all States have their Courts, to decide the disputes between the individuals and organizations.

12. The Constitution of India has three lists of subjects. One list of subjects gives exclusive right to the national legislature to legislate and is called the Union List, the second list gives right to the state legislatures to legislate and is called the state list, and the third list gives concurrent right to the Union and the State Legislatures to make laws. The executive authority is commensurate with the legislative authority of the Union and the States. The district, taluka and local bodies do not make laws. They make policies and take executive decisions and act. The executive powers of the State Governments are decentralized and partly or fully given to the bodies at the levels of the districts, talukas and the cities, towns and villages. Initially, the district, taluka and local bodies were not mentioned in the constitution of India, as they are now. Realising that, elections to these bodies were not held at regular intervals, as provided by the laws, and that they were not given the authority they deserved to have, and that, they did not have the requisite amounts of money to meet the demands of the people, Mr. Rajiv Gandhi, got the constitution of India amended, to provide these capabilities to them. By amending the constitution these bodies are empowered to be more effective, and allowed to have 33 per cent of seats reserved for women. Now the constitution provides, that each State Government shall have a Finance Commission to decide upon the formulae to be adopted to share the revenues collected in the State coffers, between the State and the Panchayats at the district taluka and local levels. The Finance Commissions are expected to function on the principles followed by the Finance Commission working at the national level.

13. At the national level, policies, plans and projects are made for the nation as a whole. At the State level, the policies, plans and projects are made for the States. The lower level bodies are involved at the cutting edge of the executive activities.

14. The federal system followed in India has functioned without any major problems up to this time. It is likely to function like this in the future also, with slight changes and modifications in some areas.

15. In order to examine the suggestions made to readjust the work of cooperation in a federal system, a Commission was constituted. It was recognised as Sarkaria Commission. It gave some suggestions, many of which were accepted and are acted upon. India is going to appoint another Commission to refine the Centre-State relations.

16. The exercises are done to meet the demands of the States and new realities which are becoming visible at intervals because of the technological and systematic changes taking place in the world.

17. The relations between the Union and States have been good. When one political party could form the Governments at the national and the State levels, the federal system functioned very smoothly. When the Governments at different levels were formed by different parties, relations between the Centre and States, in some cases, were strained. However, at both the levels, a realization has now developed that they should cooperate with one another to make the relations between the Governments at all levels quite smooth and workable.

18. Indian Constitution has provided for setting up of a consensus building and disputes resolution system. It was decided to set up an Inter State Council for mutual consultation and coordination of policies and actions on all matters of common interest between the States and also between the Union and the States. It is not expected to be a body for making policies and plans for the nation and the States. In some other federal systems, there are created bodies which allow the national governments and the state governments to join hands, in a forum to decide upon the policies, plans and mega projects.

19. In India, by executive orders, Pandit Jawaharlal Nehru created three bodies. One is called the National Development Council, the other is called the Planning Commission and the third is called the National Integration Council. In the National Development Council, issues of national and state importance can be discussed and decisions on the same can be taken. In the Planning Commission, the plans for the nation and the States are made. In the National Integration Council, the issues relevant to the national integration can be discussed. At zonal level, these zonal councils are attended by the representatives of the Union Government, and those of the States of the Zones. In the meetings of the zonal council, issues which are of interest to the states of the zones and the Union are taken up for discussion and decisions.

20. There are constitutional bodies created to help the Union and the States. The Election Commission, the Public Service Commission, the Comptroller & Auditor General of India are the bodies which help the Union and the State Governments to discharge their duties. There are similar kinds of bodies in the States, to help them to perform their duties in their territories. These bodies help the federal system to function smoothly.

21. In some cases, the Supreme Court works as an arbitrator between the Union and the States, and by giving judicial decisions, assist in seeing the smooth functioning of federalism in a constitutional manner.

22. The Union Government is allowed to collect taxes and garner revenue. The State Governments are also allowed to collect taxes and raise revenue. The funds collected by the Union are used to meet the expenses to discharge the duties with respect to the subjects mentioned in the Union and Concurrent Lists and those not mentioned in any of these Lists. They are also shared with the State Governments. Every five years, a Finance Commission is appointed to study the position of the

funds collected by the Union and to study and suggest, as to how, they should be shared between the national and State Governments. The formulae given by the Finance Commission are used to share the revenue between the Central and the State Governments. When, situations changes the formulae given are also modified to suit the needs of the times and different situations.

23. To make democracy in all countries more successful, the electoral reforms are needed. The elections should become less expensive and should help all voters to vote and should allow the representative to earn, if not 50% of the total votes, at least, the 50% of the votes cast to be declared as elected. It should depend more on positive aspects, rather than on the negative aspects of life. It should not allow the muscle power or narrow ideology and deceptive methods to influence the votes and the results of elections.

24. Multi-party democracy is more scientific than one party democracy. Fortunately, this principle is accepted universally and now nobody appears to object to it very vehemently. Multi-party democracy should not allow plethora of political parties to come into existence, polluting the electoral system. Large number of political parties make governments wobbly and fragile.

25. The elected government should be accountable. That is also one of the most essential features of democracy. However, the elected governments should have reasonable periods of time to perform and produce results. They should be made durable and stable for a reasonable period of time. When they are short-lived, they fail to produce desired results for the people.

26. In democracy, the minorities should be protected and should not be harassed for their views and policies. If this is not done, large sections of the society are bound to suffer and put in a disadvantageous position.

27. One kind of electoral and democratic system cannot be useful in all countries which do not have similar characters with regard to the areas they cover, the population which they have and the level of education and economic development which they enjoy. For different kinds of conditions in which the different countries find themselves, suitable and different forms of democracy need be adopted and used.

28. Federal system should allow the states to enjoy maximum amount of liberty to meet the demands of the local population. It should allow maximum amount of authority to protect sovereignty, integrity, ethos and essence of culture of the country as a whole to be enjoyed by the Union. In times of need and emergency, the Union and the States should be able to cooperate with one another. The Union should be able to use its coffers, strength and national and international clout, for the benefit of the nation and the states. There should be forums of the Union and the States to meet regularly, for making mega policy and plans.

29. The scheme of financial relations between the Union and the States has been elaborated in the Constitution. Whatever revenue is collected by the States is utilized by States and what is collected by the Union is utilized by both the States and the Union. The resources which flow to the States are determined by the Finance Commission which comprises of experts and is set up every five years and

on the basis of its recommendations, financial devolution takes place. This system is working harmoniously and to the satisfaction of the Central and State Governments.

30. There is scope for giving more powers to the Union and the States both. These powers can be given and used through modern technologies used and available.

31. The modern technologies and new methods of management, administration and governance should be adopted and used to make the federal system more useful and efficient. The Union and the State Governments are expected to function in federal system, to reduce tension, to make use of the potential in all fields in the best possible manner. The system may, in some cases, generate tension and retard the movement forward. If it happens, because of the laws or the Constitution, they should be modified. However, it may happen because of the personalities at the helm of office also. To avoid these kinds of contingencies, it is better to select right kinds of persons to lead.

32. The experiment of democracy, federalism and the Union and State relations in India has been encouraging and satisfactory. However, in changed circumstances, the methods and systems used can be improved upon, to meet the challenges of the technological and futuristic opportunities.

33. The principles of secularism, tolerance, political, economic, social justice, positive discrimination to help disadvantaged have helped India.

34. These principles can help any democratic country to achieve its objectives.

35. I need say no more.

36. I thank you for your attention.

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