



## **RESEARCH PAPER ON: COMPARATIVE PUBLIC LAW AND SYSTEMS OF GOVERNANCE**

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## **COOPERATIVE AND COMPETATIVE FEDERALISM IN INDIA: The paramount pillars of National Economic Development in parlance with Fiscal Federalism**

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### **ABSTRACT:**

Federalism in India has always been a dynamic concept of Democratic politics and have been witnessing its evolution in India for a long time. This research project emphasizes on the Indian Federalism and its types, nature, and its important role played in the center-state relationship. Indian federalism has its paramount significance under Indian Constitution and works in the interest of people of India. It also envisages a study of growth and development of central-state relations as well as inter-state relations under the Indian Constitution.

The research also includes the study of obstacles faced in the Indian Federalism in some aspects and to showcase a comprehensive picture of its application on its citizens. How it helps India in its social-economic growth through cooperative and competitive federalism and which type of federalism did India aspires and continues to follow? Also, the government initiatives for the welfare of state and to achieve its economic growth, for instance NITI Aayog, GST (Goods and Services Tax), schemes implemented by the government for the overall socio-economic development of the nation, as well as the balance between the two types of federalism should be mitigated.

It also throws a light on the history of the federalism in India and the influence of other countries legal framework and constitution on Indian federalism.

### **KEYWORDS:**

Federalism, Cooperative federalism, Competitive federalism, fiscal federalism, NITI Aayog, Goods and Services Tax, Financial relations, Article 246 r/w schedule 7, Article 262, 263

### **INTRODUCTION:**

The Federalism in India embodies a system of government where the power is divided between the central authority and the various constituent units of the country i.e. the States. In such system of government, the central authority is responsible for the whole country and works for the common national interest. The others are the governments at the level of provinces or states the deals with the day-to-day administration of their respective states. Both these levels of governments enjoy their power independent of the other.

India is a country of continental dimensions with immense diversities and social problems. The framers of the Constitution believed that we required a federal constitution that would embrace diversities. In the Constituent Assembly, when the drafting committee was engaged in drafting the framework of constitution of India, there were conflicting opinions given by its members that are highlighted below:

<sup>1</sup>“The constitution of Union and States is a single frame from which neither (Provinces or States) can get out and within which they must work.” – *Dr. B R. Ambedkar*

*Dr. K. P. Mukherjee* said, “I have come to take the view that whatever might have been position at the drafting stage or previous to the stage, the constitution that emerged out of the August deliberations of the constituent Assembly of India in January 1950 is definitely unfederal or unitary constitution”.<sup>2</sup>

*Prof. K. C. Wheare* said, “Indian Constitution establishes a “system of government is almost quasi-federal almost devolutionary in character: a unitary state with subsidiary federal features rather than a federal state with unitary features”.<sup>3</sup>

These were the conflicting expression given during the drafting of the constitution by the drafting committee with respect to federal nature of the constitution and it is desirable to examine that what is the federal structure of constitution and how far the Indian Constitution possesses the federal features.

In this sense, federal government are different from the unitary governments. Under the unitary system, either there is only one kind of government or the sub-units are subordinate to the central government. The central government can pass on orders to the provincial or the local government. But in a federal system, the central government cannot order the state government to do as directed by the central authority. The state governments have powers of its own for which it is not answerable to the central government. Both these governments are separately accountable to the people.

The constitution of India clearly demarcates subjects, which are under the exclusive domain of the Union and those under the States i.e. the Union List, State list, and the Concurrent list mentioned under Schedule 7 of the Indian Constitution.<sup>4</sup>

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<sup>1</sup> Constitutional Development and National Movement of India Book, by R.C. Agarwal and Dr. Mahesh Bhatnagar

<sup>2</sup> Constitutional Development and National Movement of India Book, by R.C. Agarwal and Dr. Mahesh Bhatnagar

<sup>3</sup> Constitutional Development and National Movement of India Book, by R.C. Agarwal and Dr. Mahesh Bhatnagar

<sup>4</sup> Indian Constitution at Work, Class XI, NCERT, ISBN 81-7450-550-4

One of the important aspects of this division of powers is that economic and financial powers are centralized in the hands of the central government by the constitution. The states have immense responsibilities but very meagre revenue sources.<sup>5</sup>

Eventually, the Constituent Assembly decided to form a constitution under which the government would be based on the principles of unity and corporation between the Centre and the states and some separate powers to be given to the states.<sup>6</sup> The most important feature of the federal system adopted by the Indian Constitution is the principle that relations between the states and the Centre would be based on cooperation. Thus, while recognizing diversity, the constitution emphasized unity. The word federalism is not explicitly mentioned in the constitution rather has been described under

*Article- 1(1) INDIA, that is Bharat, shall be a union of states.*

*Article-1(2) The states and the territories thereof shall be as specified in the First Schedule.<sup>7</sup>*

### **KEY FEATURES OF FEDERALISM:**

1. Dual Polity: Under a federal system, there are two governments: the federal government and the governments of the states or other constituent units. The constitution outlines the boundaries of the government's authority. One of the most notable characteristics of unitary states is the absence of a regional or provincial government with its own constitutional authority. In contrast to the federal polity, where both governments obtain their authority from the constitution, they are entirely dependent on the whims of the central government, which has the power to cancel any of their powers. This indicates that our government is federal rather than unitary.
2. Power Division: The Indian Constitution divides the legislative authority between the federal government and the states, as stated in the seventh schedule, which contains the three lists—the Union list, the State list, and the Concurrent list. While the State list addresses daily and local issues, the Union list includes topics of national relevance. Finally, the Concurrent list includes topics on which both the federal government and the states have the authority to enact legislation.
3. Supremacy of Written and Rigid Constitution: India has the lengthiest and most comprehensive written constitution in the world. The constitution originally contains 395 Articles but after 106<sup>th</sup> Amendment it now has 448 Articles which are grouped into 25 parts and 12 schedules. It is unlike the British Constitution which owes its origin only on practices and conventions. Therefore, it cannot be interpreted in a liberal and flexible

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<sup>5</sup> Indian Constitution at Work, Class XI, NCERT, ISBN 81-7450-550-4

<sup>6</sup> Indian Constitution at Work, Class XI, NCERT, ISBN 81-7450-550-4

<sup>7</sup> Constitution of India, 1950, Universal Bare Act

manner. Both Central and regional governments withdraw their power from this Supreme and sacred Law of the Land. There is no possibility of any perplexity regarding the distribution.

4. Special position of the Judiciary: The prominent federal feature of our Constitution is the provision mentioning the Supreme Court to act as the Guardian of the Constitution. It interprets the controversial clauses and decides all constitutional disputes between the Centre and the State governments. It contains the union and the states to the spheres allotted to them. The judiciary in India is independent and plays a crucial role in upholding the constitution. The Supreme court has the power to declare laws unconstitutional ensuring checks and balances.

<sup>8</sup>Thus, a powerful central government with state autonomy was established under the Indian Constitution. In the decision of S.R. Bommai v. Union of India, the Supreme Court upheld federalism as a fundamental characteristic in spite of this centrist approach to unity.

<sup>9</sup>Each federation has a different precise distribution of power between the federal and state governments. The historical setting in which the federation was established mostly determines this equilibrium. There are two different ways that federations have been established. In order to improve security, the first option entails independent governments banding together to create a larger organization while maintaining their own identities and combining their sovereignty. The United States, Switzerland, and Australia are examples of these "Coming Together Federations." All of the member states in this first type of federation often have equal authority and are powerful in comparison to the federal government.

The second option is when a big nation chooses to split its authority between the federal government and its component states. This type of "Holding Together Federation" is exemplified by Belgium, Spain, and India. In this group, the federal government typically has more authority than the states.

#### **EVOLUTION OF INDIA'S FEDERALISM AFTER INDEPENDENCE<sup>10</sup>**

PHASE	DESCRIPTION
THE FIRST PHASE (Independence to mid-1960s)	Marked by smooth federalism due to single-party rule in most states and the Centre.

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<sup>8</sup> VISION IAS, Indian Polity, Federalism

<sup>9</sup> cbsncertsolutions.com

<sup>10</sup> VISION IAS, Indian Polity, Federalism

SECOND PHASE (post-1967 elections)	Non-congress state governments opposed centralization, demanding more state autonomy and greater financial resources.
Confrontational Federalism (1967- late 1980s)	Regional parties like DMK and RJD began asserting their interest, leading national parties to give more importance to regional roles in governance
COOPERATIVE Federalism (1991-2014)	The era marked a shift towards collaboration between the Centre and States, with more emphasis on working together for national development
COMPETITIVE & COOPERATIVE Federalism (2014- present)	The current phase combines elements of competition and cooperation, where states are encouraged to compete in areas like development while also cooperating with the Centre.

### COOPERATIVE FEDERALISM

It is the concept of federalism where the national, state, and local governments progressively engage in cooperatively and collectively problem solving. The constitution of India does not explicitly contain the term 'cooperative federalism' but the functioning of the constitution implicitly resulted in cooperative federalism. India follows the quasi- federal system of governance. Therefore, coordination and collaboration between the federal units are necessary for the nation to run smoothly.

<sup>11</sup>By the middle of the 20<sup>th</sup> century, federalism was widely recognized as a dynamic process of collaboration and shared action between two or more levels of government, according to the *Sarkaria Commission Report (1998)*, which contained extensive discussion on Centre-state relations.

<sup>12</sup>The Indian model of federalism is predominantly 'COOPERATIVE' as laid down by the apex court the country in the case of *STATE OF RAJASTHAN V. UNION OF INDIA, 1977*<sup>13</sup>.

As India prides itself on being the largest democracy in the world, let's now talk about the necessity and significance of cooperative federalism in India. This democracy is particularly essential because it is encased in a federal structure.

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<sup>11</sup> vajiramandravi.com

<sup>12</sup> <https://vajiramandravi.com>

<sup>13</sup> State of Rajasthan v. Union of India, 1977 AIR 1361

- a) Ensuring growth and stability of a nation- The cooperative federal system focuses on needs of security, defense, urge for a welfare as well as the betterment of the state, and mitigating the situation of economic depressions.
- b) Promoting social justice- As the democracy represents the voice of majority, so federalism accommodates and links it to the voice of the minority, showcasing the significance of social justice.

The provisions mentioned in the Indian Constitution which are related to cooperative federalism are-

<sup>14</sup>*Article 54:* Representation of States in the President's election where the members of legislative assemblies are part of electoral college.

*Article 80:* provides for the council of states, representing states in the union legislative process.

*Article 262:* It allows the parliament to adjudicate inter-state water disputes. Further, in case of *T.N. Cauvery Sangam v. Union of India (1990)*<sup>15</sup>, the Supreme Court made it clear that the parliament could appoint a Tribunal for such adjudication.

*Article 263:* It provides for the establishment of the Inter-State Councils, which are empowered to investigate those matters that interest both the Centre and the States.

#### **CONTEMPORARY ACTIONS MADE IN INDIA TO SUPPORT COOPERATIVE FEDERALISM:**

In these recent years, several measures have been taken by the Indian Government to promote cooperative federalism. For instance, the replacement of the planning commission and establishment of NITI Aayog, the NITI Aayog (National Institute for Transforming India) has been constituted to achieve the crucial objective goal of cooperative federalism and to facilitate effective governance in India. The GST Council comprises of Chief Ministers of States and administrators or Lieutenant Governors of Union Territories.

NITI Aayog has been constituted to actualize the important goal of cooperative federalism and to enable good governance in India. On the premise that strong states make a strong nation, this Aayog acts as the quintessential platform for the government of India by bringing states together as 'Team India' to work towards the national development agenda. In order to this, various steps have been taken by the Aayog to foster cooperative federalism through organized assistance and engagements with States/UTs persistently. This includes the meetings between the Prime Minister/Cabinet Ministers and all Chief Ministers of the respective states. Additionally, it created

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<sup>14</sup> <https://vajiramandravi.com>

<sup>15</sup> Tamil Nadu Cauvery Neerppasana Vilaiporulgal Vivasayigal Nala Urimai Sangam v. Union of India and others, (1990) 3SCC 440.

programs, models and schemes and events for the development of infrastructure and to reignite and establish private-public partnership, such as the Centre-State Partnership model development support services to States and Union Territories (DSSS) and the Sustainable Action for Transforming Human Capital (SATH) Program.<sup>16</sup>

GST (GOODS AND SERVICES TAX), In the year 2017, the GST was introduced to consider one of the most significant moves to advance cooperative federalism in India. It is a unified tax system that replaced various state-level taxes, creating a common market across the country. The GST Council, consisting of representatives from the central and state government, the GST Council is also accountable for making decisions related to the tax system. This has ensured a high degree of collaboration and cooperation between the central and state governments.

Centrally Sponsored Schemes, Initiatives carried out by the federal government in collaboration with the state governments are known as centrally sponsored schemes. A large portion of the funding for centrally sponsored schemes comes from the federal government, and state governments have great latitude in tailoring these programs to suit local goals and requirements.

According to a Ministry of Finance study, there are currently 28 Centrally Sponsored Schemes (CSS) in existence that address a variety of topics, such as skill development, education, health, and rural development, education, health and skill development.<sup>17</sup>

#### **Action taken by the Commission to advance cooperative federalism in India:**

Sarkari and Punchhi Commission: These commissions made a number of suggestions for practical measures to foster cooperative federalism. For example, the governor's tenure should be changed and the position should be apolitical. Also, limiting the President's rule's use in accordance with Article 356 to stop the Centre Authority from abusing it excessively. Establishing rules to stop the President's veto of legislation from being abused. When the Centre signs an international agreement, states are included.

Promoting federalism, can help in advancing greater fiscal autonomy for state governments, and in return help in promoting good coordination and cooperation between the central government and state government.

Strengthening Institutional Frameworks, can be achieved by augmenting the role of Institutions such as the NITI Aayog, the Inter-State Council, and the Finance Commission. By giving them financial resources and decision-making authority, empowering local governments also promotes cooperative federalism.

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<sup>16</sup><https://niti.gov.in>

<sup>17</sup> <https://vajiramandravi.com>



**COMPETITIVE FEDERALISM:**

Competitive federalism means the desire of competitiveness among governments and jurisdictions in a federal political system. Competition among governments is a dynamic process where the national as well as the state governments compete with each other to attract resources, for example, foreign investment or skilled workers, etc.

Such competition is likely to be seen in a federal system characterized by decentralization, by the substantial self-governing authority with both states and central government. Also, the notion of competitive federalism can be seen as a newer concept in Indian Polity. The constitution of India originally comprised provisions of cooperative federalism, but as per the need of the society to grow, with time the states started competing to attract capital and investment after LPG Reforms. Hence, the need for Competitive Capitalism has arisen to facilitate and stimulate financial activity and enhance the administrative efficiency.

It also makes certain, that there is minimum waste and maximum usage of resources by stimulating healthy competition among states in creating physical and social infrastructure and for the economic development of the nation and their respective states as well.

**FACTORS LEADING TO COMPETITIVE FEDERALISM IN INDIA:<sup>18</sup>**

Economic liberalization, for instance, policies related to economic liberalization of 1990s paved the way to boost up the Indian Economy and states were given greater autonomy to attract investments.

Fiscal Federalism, has also shown contribution towards competitive federalism by providing states with the necessary resources to implement policies that attract investments.

Technology, has certainly played a paramount role in fostering competitive federalism by providing states with a medium to showcase their strengths and to attract investments.

Education and skill development, many of the states have invested in Education and Skill Development. Which provided them with the more skilled workforce, and are at better positioned to persuade the Industries oriented to education.

**Competitive Federalism between Centre-States in India:**


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<sup>18</sup> <https://vajiramandravi.com>

There are many instances where we have witnessed the competitive approach adopted by the Centre and the States to implement Schemes related to social welfare, the Centre and States compete amongst them to implement better social welfare schemes, like for example, of the Centre and States using a competitive approach. The central government's AYUSHMAN BHARAT Scheme and state-level programs like Tamil Nadu's Chief Minister Comprehensive Health Insurance Scheme aim to improve the standard of living. The Centre and States have introduced many other agriculture-related policies in an effort to compete and boost agricultural yields and production. The Central government's income assistance program is called PM-KISAN, whilst Andhra Pradesh and Telangana's program is called Rythu Bharosa.<sup>19</sup>

There are some instances seen of competitive federalism between the states, such as competition in Tourism, in which the States are competing with each other to attract tourist that would show growth economically as well as in tourism, where each and every state promoting its own unique culture, heritage sites and natural attractions and working to enhance the infrastructure and services rendered to tourists. Therefore, the globalization played a pivotal role in attracting foreign policy and states are undertaking diplomatic measures in sphere of Trade, Commerce, Foreign Direct Investment (FDI), Education like student exchange program and Cultural exchanges etc., for example, Gujarat organized the 'Vibrant Gujarat Global Investors Summit' in order to attract foreign investment. Innovation and Entrepreneurship in which states are encouraging innovation and promoting entrepreneurship by providing incentives to startups and small businesses. As done by the Telangana government, where it launched the T-Hub initiative to promote startups, while the Kerala government launched the Kerala Start-Up Mission (KSUM) initiatives to encourage and guide the Entrepreneurs.

Other aspects also include the State indices, in this the Centre also give many indices that promote competition among the states. Some of them are discussed here,

Good governance Index which is conducted by the Department of Administrative Reforms and Public Grievances (DARPG), ranking for NFSA (National Food Security Act), provided by the Ministry of Consumer Affairs, Food and Public Distribution, in order to document the status and progress of implementing the National Food Security Act across the states and UTs. Another Index is the Swachh Survekshan Survey and the President of India conferred Swachh Survekshan Awards 2025 hosted by the Ministry of Housing and Urban Affairs (MoHUA) in New Delhi. It is conducted by MoHUA since 2016, and is the world's largest sanitation and cleanliness survey under Swachh Bharat Mission, and these Swachh Survekshan Awards are annual rankings and recognitions given to cities and urban local bodies (ULBs) under the Swachh Survekshan. The objective of the ranking was to create awareness on sanitation and to promote competitive federalism through performance benchmarking, in which the 'Uttar Pradesh' secured the top

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<sup>19</sup> <https://vajiramandravi.com>

rank as the cleanest state in India for 2025, and the 'Indore' was named as the cleanest city for the 8<sup>th</sup> consecutive year this time as well.<sup>20</sup>

### **ROLE OF NITI AAYOG:**

NITI Aayog focuses to promote competitive federalism by facilitating the improved performance of States/UTs. It endeavors a healthy competition among states by way of the transparent rankings, indices, and along with hand-holding approach. By assisting States and UTs in doing better, NITI Aayog seeks to advance competitive federalism. By using indices, hand-holding, and open rankings, it aims to promote healthy competition among states.

In addition to releasing delta rankings for the performance of Aspirational Districts each month, NITI Aayog has launched a number of indices, including the School Education Quality Index, State Health Index, Composite Water Management Index, Sustainable Development Goals Index, India Innovation Index, and Export Competitiveness Index.<sup>21</sup>

Therefore, these ranking of States, in several social sectors helps the states as well as their respective districts to improve and encourage them in more participation in social events and improve their performance, so it can showcase healthy competition amongst the states that would eventually help in the economic growth and development of the state as well as the country.

### **ROLE OF FINANCE COMMISSION IN COMPETITIVE FEDERALISM:**

The Article 280 of the Indian Constitution establishes the Finance Commission, a constitutional body constituted by the President to provide recommendations on the distribution of financial resources between the Union and the States, also the allocation of share of tax proceeds and other financial matters.

The Article 280(3) provides for the functions of the Finance Commission. The article states that it shall be the duty of the Commission to make the recommendation to the President as to: i) the distribution between the union and the states of the net proceeds of taxes which are to be, or may be, divided between them and the allocation among the states of the respective shares of such proceeds; ii) to determine the quantum of grants-in-aid to be given by the Centre to states out of the Consolidated Funds of India [Article 275(1)] and to evolve the principles to govern the eligibility of the state for such grant-in-aid; iii) any other matter referred to the commission by the president of India in the interest of sound finance<sup>22</sup>. Several issues like debt relief, financing

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<sup>20</sup> <https://globeindia.in>

<sup>21</sup> <https://niti.gov.in>

<sup>22</sup> Constitution of India, Bare Act, Lexis Nexis, Universal

of calamity relief of states, additional excise duties, etc. have been referred to the commission invoking this clause.

The Commission is responsible to determine the procedure and shall exercise such powers to perform such functions conferred by the parliament by law. Pragmatically, the recommendations of the Finance Commission are accepted by the government of India for the distribution of shared tax revenue, as well as for the grant-in-aid. The 15<sup>th</sup> Finance Commission developed a standard such as Demographic Performance, Tax, Forest and Ecology and many more, for the distribution of central taxes among states for the period between 2021-2026. This commission recommended performance incentives and grants to states for carrying out agricultural reforms, amending the land related laws following the NITI Aayog's model law, increase in agricultural exports, mitigating and augmenting groundwater stock.

Approach adopted to promote competitive federalism in India, firstly the allocation of funds in which the Central government can allocate funds to the states on the basis of their performance in different domains such as infrastructure, education, healthcare, business etc. Second, promoting collaboration and sharing practice in which the rejuvenation of inter-state council under Article 263 that will provide a forum to inquire and to resolve the disputes. Third, Competitive Cooperative Federalism, the combination of cooperation and competition focuses on that the states not only compete with each other to become better in their respective states but also seek the support they need from the central government.

### **FISCAL FEDERALISM**

Fiscal federalism means, where the federal state and local governments share funding and administrative responsibilities within India's federal system. The theory and practice of the devolution of powers and functions among the different tiers of government involved in the fiscal operations is called as 'Fiscal federalism'. Fiscal federalism provides a framework for the devolution of functions between the national and the sub-national governments along with the framework for sharing the revenue collected among the different tiers of governments.

Fiscal federalism in India is paramount for maintaining a balance between the Centre and States' financial autonomy, ensuring equitable resource distribution. It strengthens democratic governance by promoting local decision-making and accountability, while addressing regional disparities and fostering cooperative federalism. Envisaging sound fiscal federalism, the Indian Constitution has established mechanisms such as shared taxes and grant-in-aid to address regional imbalances, complemented by institutional frameworks like Finance Commission with specific mandates.

**CONSTITUTIONAL PROVISIONS RELATED TO CENTRE-STATE FINANCE RELATIONS:**

The Indian Constitution encompasses the provisions that governs the distribution of taxes, non-tax revenues, borrowing powers, and grants-in-aid between the Centre and the States. Article 268 to 293 particularly acknowledge the financial relations that deals with the mechanism for fiscal transactions and allocations.

Article 269 A (Goods and Services Tax) that was introduced by the 101<sup>st</sup> Constitutional Amendment Act, 2016. The Article provides that Goods and Services Tax on supplies in the course of inter-state trade or commerce shall be levied and collected by the government of India, such tax shall be bifurcated between the union and the states in the manner provided by the parliament on the recommendations of the Goods and Services Tax Council. Article 275 which deals with post devolution revenue deficit grants, in which the Centre exercises discretionary authority to transfer funds to state governments for certain purposes or schemes, ensuring financial support whenever required. Article 280, the provision deals with the Finance Commission. In this the Finance Commission plays an important role in recommending the allocation of tax revenues between the Centre and the States. The Seventh schedule of the Constitution demarcates the taxation powers between the Centre and the States, in which the parliament has exclusive authority over taxes listed in the union list, the state legislature hold exclusive power over taxes listed in the state list. Both the parliament and states can levy taxes on subjects mentioned in the concurrent list, with residual tax powers vested solely in the parliament.

**Obstacles or hurdles faced by fiscal federalism in India:**

In certain cases, fiscal federalism encounters challenges that impede a country's progress and advancement. One example is the reduction in grant-in-aid to states, which saw a drop from Rs. 1.95 lakh crore in 2015–16 to Rs. 1.65 lakh crore in 2023–24. Statutory financial transfers as a percentage of gross tax revenue for the union government fell from 48.2% to 35.32 percent.

Second, despite the 14th and 15th Finance Commissions' recommendations that the states should receive 42% and 41% of net tax revenue, respectively, the actual share of gross tax revenue decreased to 35% in 2015–16 and then to 30% by 2023–24 (budget estimates). This leads to problems for both rich and poor states. Because wealthier states may freely fund matching grants while less affluent states must rely on borrowing, increasing their fiscal obligations, the adoption of the Central Sponsored Scheme exposes inequities among states.<sup>23</sup>

**COMPARATIVE ANALYSIS OF INDIAN FEDERALISM WITH OTHER COUNTRIES:**


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<sup>23</sup> [www.drishtiias.com](http://www.drishtiias.com)

- 1) United States of America- The federal system in USA and India both represents some similarities but have differences in certain domains like structure, powers, and functioning etc. For instance, the separation of responsibilities in a federal government is evident, as powers are divided and distributed between the Centre and the States. In the Indian constitution the seventh schedule mentions the union list, state list and concurrent list, in which the union list gives the power to the union government and the state list gives the power to the state governments for the state administrations. The constitution of the United States of America lists the central government's authority, while the tenth amendment reserves state governments' authority. The second difference can be seen in fiscal federalism which deals with the allocation of financial resources between the central and state government, In India central government is stronger in helping the state government financially, whereas, in the United States it is primarily up to the states to raise money on their own through taxes and other sources. The third difference found is the cooperative federalism and dual federalism, in which strongly inclined towards the cooperative federalism where both central and state government collaborates and cooperates to accomplish certain objectives. In USA, opposes this concept and rather follows the dual federalism system in which the federal government and state government operates independently within their respective authoritative spheres.
- 2) Canada- The Indian and Canadian Constitution are similar in nature but also both are different to a certain extent. Some of the similarity reflected in both Canada and Indian Constitution is the federal system of government in which the powers is shared between the central authority and state/regional governments. In both the countries the residual powers are centralized under the central government. Both the follows the First-Past-the Post (FPTP) electoral system to elect representatives. Third similarity is the accountable government, where the government in both the nations is accountable to lower house of parliament. In contrast, the differences in the federal structure seen in both the countries i.e. the written constitution, India has a written constitution and serves as the supreme law of the land and in Canada follows mix of written and unwritten laws influenced by British traditions. Second, the President in India is elected by members of parliament and state legislatures and in Canada, the Governor General is appointed by the monarch on the advice of the Prime Minister. Third, in India there is no concept of dual citizenship. Whereas, in Canada permits dual citizenship that allows individuals to hold multiple nationalities. Thus, the both countries differ in citizenship policies, executive authorities as well as legal structure and to some extent Canada has a monarchical influence.
- 3) AUSTRALIA- India and Australia differs in federal structure. Australia had adopted its federal system in 1901, while the Indian Constitution adopted federal structure after independence in the year 1950 when it was enforced in the country. The both nation follows the federal structure but they are contrast in nature from one another to a certain extent. For instance,

India being a republic democratic state whereas in Australia the monarch system is still prevalent. Australian constitution turns out to be a result of imperial statute enacted by the UK Parliament, in contrast the Indian constitution is a product of independent nation i.e. by the people of India. The Australian Constitution does not explicitly deal with provisions of emergency and on the other hand the Indian Constitution explicitly provides the proclamation of emergency provision under part XVIII of the Indian Constitution. There is no provision of citizenship in the Australian Constitution and people were treated as 'British Subjects' and for first time the Australian citizenship was mentioned in 1948 federal statute, on the other hand the provision that deals with citizenship has been provided under part II of the Indian Constitution.<sup>24</sup>

## CONCLUSION:

This research project includes all the nitty gritty of federalism in India as well as the federal structure followed in the Indian Constitution. The ideologies shared by the eminent personalities in the constituent assembly for federalism in India during the drafting of the Indian Constitution. The two types of federalism i.e. the cooperative federalism and competitive federalism and their influence on the Indian constitution and India political democracy. The important role played by them and their functions in the Indian governance and administration. For instance, the role of NITI Aayog, GST Council, social events and schemes implemented by the Central and State governments for the overall growth and development of the nation and the harmonious balance between the state and the central government. Lastly the comparative analysis of federalism in India with other countries and their federal structure.

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<sup>24</sup> <https://supremoamicus.org>