



India: Delhi, the states and local councils compete for power

BY ASH NARAIN ROY

Who was more to blame for bypassing federalism during the tsunami crisis in India – the federal government in Delhi or the states? It was hard to tell, because everyone's fingers were pointing to the other person.

Chief Minister Jayalalitha Jayaram of the state of Tamil Nadu accused the federal finance minister of seeking to “totally bypass the states in undertaking rehabilitation works” in the tsunami-affected areas of India. Meanwhile, about 100 presidents of the smallest local governments – *panchayats* – from 23 tsunami-ravaged districts had to plead with state governments for a role and involvement in the rehabilitation measures that were already underway. Their specific concerns were job-retraining programs and small business loans.

The *panchayat* presidents made their demands at a conference organized by Delhi-based Institute of Social Sciences. *Panchayat* presidents from heavily tsunami-ravaged parts of India – Tamil Nadu, Kerala, Andhra Pradesh and the Andaman and Nicobar Islands – all attended the conference in Chennai on January 29.

Opposing Delhi as a career

Some of the leaders of regional parties in India have made career out of their anti-Delhi rhetoric. (Tamil Nadu has a fair share of them). However, when it comes to devolving power further down to *panchayats*, that zeal is missing. The provincial leaders and political formations, who fight for sufficient autonomy for self-expression within the federal system, can easily change tack. Their motto could be: “Do what we say – don't do what we do”.

That the tsunami tragedy should sharpen this “on-again, off-again” antagonism between the federal government and the sub-national entities makes the irony even starker.

On January 29, Finance Minister Chidambaram made a statement to the press on the rehabilitation package which the Tamil Nadu Chief Minister (Jayalalitha) had criticized as undermining the authority of the state governments. That same day, *panchayat* presidents were meeting in Chennai and taking the national agencies and state governments to task for keeping the local government representatives on the margins. And that initiative had the blessing of another federal minister, Mani Shankar Aiyar, who was present for the entire meeting.

Tamil Nadu's Jayalalitha was on a firm ground. She wrote to the Prime Minister seeking his immediate intervention to

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Members of a local panchayat in India: should federal government relief go directly to the local level?

change the norms for implementing the “Rajiv Gandhi Rehabilitation Package for Tsunami-affected Areas”. As per the federal finance minister, the job-retraining programs and small business loans part of the rehabilitation measures were to be implemented only by the public sector banks. An outraged Jayalalitha responded: “It was the state governments which undertook the search, rescue, evacuation, cremation/burial of the dead and the organisation of relief camps in the first phase without waiting for any financial assistance from the federal government”.

The main opposition party to the Congress Party, the Bhartiya Janta Party or BJP, sensed political gains. It also demanded the immediate withdrawal of Rajiv Gandhi's name from the Tsunami relief package. It charged the federal government with working “against the spirit of the constitution and against the spirit of the federal setup”. The Tamil Nadu government finally had its way, with the federal finance ministry announcing that financial relief would also be implemented through the state governments concerned.

Federal government on defensive

India has shown the world a promising model in decentralized governance and its experiments in democratic decentralisation have earned it praise globally.

And yet, the irony of electoral politics is that the empowerment of local government institutions itself has begun to generate considerable heat and dust between the federal government and the states. Local rule by the village councils or *panchayats* is a state responsibility and yet it was a federal law in 1992 which made the *panchayats* “institutions of self-government” and the third tier of India's federal government. The federal government has reason to be unhappy about the tardy progress in the field of democratic decentralization in some states and the states

have their own valid reasons to fear transgressions of the federal system.

During the Chief Ministers' conference on rural development through *panchayats* in June 2004, Prime Minister Manmohan Singh came out with a proposal for block funding of districts by the federal government to fight rural poverty. However, several state governments, including Tamil Nadu, Bihar and West Bengal, cried murder. They fiercely opposed the idea of direct funding of *panchayats* by Delhi.

Here again the Tamil Nadu government took the lead and warned the federal government against taking away the constitutional federal powers of the states. While West Bengal found the proposal "unacceptable", Andhra Pradesh sought a "substantial allocation of funds at the discretion of the state government for utilisation depending upon the specific need of an area". The federal government was thus forced to beat a hasty retreat and assured the states that it would not do anything to disturb the existing arrangements.

India is currently going through a phase of what may be characterized as "competitive federalism". With the advent of the Congress-led United Progressive Alliance government, this competitive approach seems to have become a new hobby of legislators and provincial leaders. Suddenly India looks like a land of a "million mutinies".

In July 2004, the assembly of the state of Punjab unanimously tossed aside water-sharing accords with its neighbouring states of Haryana and Rajasthan, and pledged to withhold its water resources for its residents alone. It led to a lot of embarrassment for the Congress Party in Delhi as Punjab's Chief Minister Amarinder Singh defied his own party leaders including Sonia Gandhi and Prime Minister Manmohan Singh and refused to withdraw the controversial resolution. The Punjab Government's controversial decision to annul all inter-state river-sharing agreements posed a threat to the federal nature of India. The Manmohan Singh Government had little option but to pass the ball to the Supreme Court.

As if to take the cue from Punjab, the assembly of the state of Uttar Pradesh passed a resolution seeking re-inclusion in the state of two former districts – Udhan Singh Nagar and Hardwar – currently part of the state of Uttaranchal. Seven years ago, when Uttaranchal was being carved out of Uttar Pradesh, all kinds of arguments based on topography, ethnicity and the region's history were put forth by the Uttar Pradesh government not to allow these regions to go with the new state. By laying claim to these districts again, that state's government has raised an issue with far-reaching consequences.

Delhi no longer fires state governments

At the height of last year's anti-Delhi agitation in Manipur in North-East India, the state government threatened to pass a resolution changing its status as a "disturbed area" which would have the effect of making the Armed Forces (Special Powers) Act inoperative. What the Punjab and Manipur governments did may have appeased local people but their methods have set a questionable precedent. A few years ago, the federal government would have fired the defiant state government; this time around, it cajoled the state government not to precipitate a constitutional crisis. That itself is a big change.

It was the advent to power of the first non-Congress Party government, the BJP-led United Front government in 1996, that marked the beginning of what that coalition's Common Minimum Programme called "an alternative model of governance based on federalism, decentralization, accountability, equality and social justice..." It made the most forthright commitment to strengthen federalism. As it said, "we pledge to represent the will of the Indian people to strengthen the forces of political federalism which, in the Indian context means a strong national government, strong states and viable local bodies".

From 1996 onwards, federalism has asserted itself by the growing strength of the regional and smaller parties and their influence with all successive federal governments.

The Congress party's perception of federalism, the role of the regional parties and coalition has undergone a metamorphosis. Congress once dismissed regional parties as chauvinist and forces of disintegration. The demands for autonomy by the Dravida Munnetra Kazhagam (DMK) party in Tamil Nadu and the Shiromani Akali party in the state of Punjab were forcefully decried by the Congress party as secessionist.

It was Congress that conjured up the bogeyman of strong states causing a weak national government and vice versa. As political scientist Rajini Kothari puts it: "This bogey was based on a theory about the nature of power relations that was not just phoney; it was downright fraudulent. For it refused to face up to the central issue in any democratic setup: distribution of power."

Gains by regional forces

There has been a sea change in the way Congress now looks at coalition and federalism. The regionalist DMK party today is prominently represented in the Manmohan Singh cabinet. The Congress has learned the lesson the hard way. An analysis of the vote share won by various parties during the 2004 general elections in India shows that the regional parties are growing at the expense of the national parties.

The share of votes of both the BJP and the Congress has dropped from 23.7 per cent and 28.3 per cent in the 1999 Lok Sabha to 22.2 per cent and 26.7 per cent in 2004 respectively. The combined vote share of the BJP and the Congress has dropped to less than 49 per cent from 52 per cent in 1999 and 51.4 per cent in 1998. The disadvantaged castes, the intermediary castes, the peasantry...and the regional parties have become the new stakeholders.

To a certain extent India has already reached a stage of multi-layer governance with Delhi, the states and the *panchayats* enjoying autonomy and particular responsibilities. It has dismantled the notion that the strong states would necessarily imply a soft national government. On the contrary, it would help in correcting the regional imbalance and erosion of state powers that has taken place over the years.

Economic liberalisation has been marked by a decline in public investment, the progressive weakening of the Planning Commission and the emergence of the states as critical stakeholders in economic growth. This has transformed the federal system. Delhi is no doubt still powerful but it is seen more as a regulator and not as intervener. (6)