

# PM Narendra Modi should resurrect inter-state council to firm up his federalist intentions

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No prime minister has made cooperative federalism as central to his governance agenda as [Narendra Modi](#). Some indications of this approach were evident in the 2014 BJP manifesto. But at that stage, it seemed mere electoral rhetoric. Given its philosophical moorings, the BJP had always been uncomfortable with federalist ideas. Born and nurtured in the idea of 'cultural nationalism', plurality and diversity were seen as threats to be subdued by an ultra-nationalist ideology processed at Nagpur. So what brought about this change of heart?

## From CM to PM

For one, Modi is the first PM who moved from a state capital straight to New Delhi, uncorrupted by the stifling unitarian culture of the Delhi Durbar. Second, Modi knew that a major distinguishing factor for the BJP was the way it had nurtured strong regional leadership.

Its electoral success was in no small measure on account of the performance of its chief ministers. Third, Modi had acutely observed through the UPA's sorry tenure, how the best of plans and schemes and projects could be completely stymied if the states did not cooperate. The UPA's inability in getting the states on board on counter-terrorism, the [GST](#) (goods and services tax), the Lokpal, foreign direct investment ( [FDI](#)) in retail, and land acquisition reform made it a graveyard of failed initiatives.

So whether Modi learnt his lessons well or whether he now thinks of it as clever political strategy, his federalist impulses deserve full-throated support. The most encouraging sign of his commitment to federalism is the welcome internment of the Planning Commission. Centralised planning is the biggest hindrance to devolved governance.

Championing Federalism Federalism is our biggest bulwark against any hegemonic and autocratic tendencies, including from Modi himself. More than a mere power-sharing arrangement between different orders of government, it deepens democracy, reduces the distance between the people and government and protects individual liberty against the tyranny of the big state.

Deepening and strengthening federalism requires a phased, multipronged strategy, such as constitutional amendments, legislation, institution-building and a radical reform of structures, systems and processes. This will take time and serious effort. However, there is one low-hanging fruit that can provide the institutional backing to Modi's vision of teaming up with the states in his forward march.

This is the [Inter-State Council](#) (ISC), a unique mechanism under Article 263 of the Constitution that brings the Union and the states into a partnership arrangement for identifying and investigating issues of common concern to arrive at agreed policy recommendations. The council is chaired by the PM and has all the chief ministers and selected ministers of the Union as members. Despite a Constitutional provision, the council

was constituted only in 1990 when the Sarkaria [Commission](#) highlighted its potential usefulness and a non-Congress government seized the opportunity to set it up. However, despite its potential, it has been dead most of the time.

In the ten years of UPA rule, the council had two meetings, the last one being in December 2006. Every opportunity for using the Inter-State Council for its basic purpose — policy-making as a consultative and participatory federal process — was muffed with the Centre preferring to go into a sulk each time it was shown the middle finger by the states.

### **Revamp State Coordination**

To revive, revamp it and release its true potential, the prime minister needs to do the following: Merge the National Development Council with the ISC and transfer the assets of the Planning Commission to the Council Secretariat. Take away the financial allocation functions of the Planning Commission and transfer them partly to the [Finance Commission](#) and partly to the finance ministry.

Create a second tier as an experts panel on the lines of the Planning Commission with the following remit: formulation of cross-sectoral policies and programmes on matters of common interest to the states and the Centre (eg. subjects in the concurrent list), developing institutional mechanisms for implementation of such policies, consensusbuilding on contentious policy issues, policy coordination, and setting standards across states for implementation and developing performance parameters and overseeing the implementation of the recommendations of the Finance Commission .

Convert the ISC into an independent statutory body like the Election Commission. Transfer a substantial part of the existing manpower assets of the Planning Commission to strengthen its policy research and investigation capacity. Have the council establish a networking relationship with policy research,/social and economic research institutions across the country to enable independent research inputs to go into policy-making and bridge the research/policy divide.

Have the revamped ISC serve as an umbrella for special purpose vehicles in partnership with the states for mega-national initiatives, such as cleaning of the Ganga or the integrated development of the Himalayas.

Make the recommendations of the council binding on all members. Carefully executed, these measures can transform the way decisions are taken to ensure that multiple stakeholder consultation and consensus-building across sectors and states become embedded in policy-making. The opportunity is ripe and ready. Mr Prime Minister, your serve now