
A COMPARATIVE STUDY ON FEDERALISM IN RELATION TO INDIA AND SWITZERLAND

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ABSTRACT

The significance of federalism in Switzerland and India lies in its ability to promote decentralization and local governance, which can lead to greater accountability and responsiveness to the needs of citizens. Federalism can also foster diversity and pluralism, as different regions and communities can have their own distinct identities and priorities. However, federalism can also pose challenges, such as the need to balance national unity with local autonomy, manage intergovernmental relations, and ensure equitable distribution of resources and services among different regions.

Overall, studying federalism in Switzerland and India can provide valuable insights into the benefits and challenges of federalism as a form of governance, as well as the potential for federalism to promote inclusive and responsive governance at the local and national levels.

INTRODUCTION

Federalism is a form of government in which power is divided between a central government and smaller, constituent units such as states or provinces. The central government and the constituent units both have independent and separate powers that are specified in the constitution. Federalism is characterized by shared powers, autonomy of the constituent units, and division of powers between the central government and the constituent units.

Switzerland and India are two countries that have adopted federal systems of government. In Switzerland, federalism has a long history dating back to the 13th century, with the country being formed by the union of cantons. Switzerland's federal system is based on a decentralized model, in which cantons have a significant degree of autonomy and are responsible for a wide range of policy areas such as education, healthcare, and taxation. The Swiss federal government is responsible for foreign policy, defence, and the coordination of policy among cantons.

In India, federalism was adopted after independence from British rule in 1947. India's federal system is based on a centralized model, in which states have limited autonomy and are responsible for policy areas such as education, healthcare, and taxation. The Indian federal government is responsible for foreign policy, defence, and the coordination of policy among states.

STATEMENT OF PROBLEM

Seeing the increasing diversity in the world and India being the most diverse nation, we need to take into account the implications which the country has to face. The principles enshrined in the constitution of India also promote the principles of secularism, unity in diversity, federalism etc. These principles have been incorporated in the constitution of India by the constitution makers only by taking inspiration from other successful constitutions. Hence there is also a need to carry out research and comparison between these nations. Upon researching I found the lack of data present which talks about the comparison between these federal nations. Hence the statement of problem is that there is a need for further research and comparison between the working of these federal constitutions and to fulfil this purpose I have compared the concept of federalism between India and Switzerland.

HYPOTHESIS

There is a requirement to perform a comparative constitutional research to better understand

the principles of governance and administration.

RESEARCH QUESTIONS

QUESTION 1- What is the historical background of the Swiss and the Indian federalism?

QUESTION 2- What are the differences and similarities between the Swiss and the Indian federal system?

RESEARCH METHODOLOGY

The research methodology used in this proposed seminar paper is an amalgamation of Doctrinal Research with Critical Research Method. Since, after conducting doctrinal research of the present literature on the subject under study, a critical study is carried out on the functioning of the federal systems in India and Switzerland. Data used in satisfying the research questions will be based on data available on online platforms along with Acts and well revered and reliable blogs and online article libraries. An analytical study will be conducted to answer the research questions and to satisfy the hypothesis of the seminar paper.

SCOPE AND LIMITATIONS

This paper studies the federalism in India and Switzerland along with the principles of Separation of powers enshrined in the two constitutions yet the scope of the present research paper is only limited to the comparative study of the federal structure of the Indian and the Swiss constitutions.

REVIEW OF LITERATURE

It is challenging to examine federalism in the broadest sense, which is evident in both theory and practise. The term "federal" has resonance in both theory and practise. It is impossible to engage in true comparative analysis with theoretical implications without this essential preparation. Federalism's moral foundation is derived from certain innate values, such as respect, tolerance, dignity, and mutual recognition, which give rise to a certain type of human interaction, namely the federal state or federation. The amoral basis contends that federalism lacks any such inherent traits and is only a particular constitutional and/or political tool for accomplishing broad objectives like territory expansion, economic gain, and security (*Comparative Federalism: A Systematic Inquiry, by Daniel J. Elazar*)

OBJECTIVES OF THE RESEARCH PAPER

- 1) To analyse the historical evolution of federalism in Switzerland and India.
- 2) To compare and contrast the structure of the federal systems in Switzerland and India, including the distribution of powers between the central and state/cantonal governments.
- 3) To assess the role of cantons/states in the Swiss and Indian federal systems, and the extent of their autonomy.
- 4) To evaluate the effectiveness of fiscal federalism in Switzerland and India, including revenue generation and distribution.
- 5) To identify and analyse the challenges faced by Swiss and Indian federalism, such as intergovernmental relations, resource distribution, and political tensions.

A COMPARATIVE ANALYSIS BETWEEN SWITZERLAND AND INDIA

A comparative analysis between Switzerland and India is important for several reasons which can be explained by the following points

Learning from each other: By comparing the federal systems in Switzerland and India, policymakers and practitioners in both countries can learn from each other's successes and challenges. For example, Switzerland's decentralized model can provide insights into how to strengthen local governance in India, while India's centralized model can provide insights into how to balance national unity with regional diversity in Switzerland.

Enhancing knowledge of federalism: By studying federalism in two different contexts, researchers can deepen their understanding of the different forms and models of federalism, including the strengths and weaknesses of each model. This can help to advance the knowledge and theory of federalism as a form of governance.

Identifying best practices: By comparing the federal systems in Switzerland and India, we can identify best practices that can be applied in other countries with federal systems. For example, the study could identify best practices for revenue generation and distribution, or for managing intergovernmental relations.

Enhancing policy and practice: The comparative analysis can provide recommendations for policymakers and practitioners in both countries on how to improve their federal systems, and

ow to address the challenges faced. This can lead to more effective and responsive governance at the national and local levels.

Promoting global understanding: The comparative analysis can promote global understanding and cooperation by highlighting the similarities and differences between federal systems in different parts of the world. This can help to build bridges between countries and promote international cooperation on issues related to federalism and governance.

HISTORICAL BACKGROUND AND EVOLUTION OF FEDERALISM IN SWITZERLAND

The history of federalism in Switzerland can be traced back to the formation of the Swiss Confederation in 1291. The Confederation was initially formed by three cantons (or regions), which were united for mutual defence and support against outside threats. Over time, the number of cantons increased as other regions joined the Confederation. In 1848, the modern Swiss federal state was established with the adoption of a federal constitution. The new constitution provided for a decentralized federal system in which the cantons were granted significant autonomy and were responsible for a wide range of policy areas such as education, healthcare, and taxation. The Swiss federal government, on the other hand, was responsible for foreign policy, defense, and the coordination of policy among cantons. One of the key features of Swiss federalism is the principle of subsidiarity, which stipulates that decisions should be made at the lowest possible level of government. This means that the cantons are given primary responsibility for policy areas within their jurisdiction, while the federal government is responsible for issues that affect the country as a whole. This principle of subsidiarity is enshrined in the Swiss Constitution and reflects the decentralized nature of Swiss federalism. Since the adoption of the federal constitution in 1848, there have been several amendments to the constitution to reflect changes in Swiss society and politics. For example, in 1874, the constitution was amended to provide for the direct election of the Federal Council (the executive branch of government) by the people. In 1999, the constitution was amended to include provisions for gender equality and environmental protection.

Today, Swiss federalism remains a key feature of the country's political system, with cantons retaining significant autonomy and responsibility for policy areas within their jurisdiction. The federal government continues to play a coordinating role among the cantons, and is responsible for foreign policy, defence, and other matters that affect the country as a whole.

THE SWISS FEDERAL SYSTEM: STRUCTURE AND DISTRIBUTION OF POWERS

The Swiss federal system is characterized by a high degree of decentralization, with cantons enjoying significant autonomy and responsibility for policy areas within their jurisdiction. The structure of the Swiss federal system can be broken down into three branches of government: the legislative, executive, and judicial.

Legislative Branch: The Swiss legislative branch is composed of two houses: the National Council (lower house) and the Council of States (upper house). Members of the National Council are elected directly by the people, while members of the Council of States are elected by the cantonal parliaments. Both houses have equal powers in the legislative process, and bills must be approved by both houses before becoming law.

Executive Branch: The Swiss executive branch is composed of the Federal Council, which serves as the collective head of state and government. The Federal Council is made up of seven members, each of whom is elected by the Federal Assembly (the National Council and Council of States sitting together) for a term of four years. The Federal Council is responsible for implementing federal laws and policies, and is also responsible for foreign policy and defense.

Judicial Branch: The Swiss judicial branch is composed of federal and cantonal courts. The Federal Supreme Court is the highest court in the land and is responsible for interpreting federal law and resolving disputes between cantonal governments or between cantonal and federal authorities. The cantonal courts are responsible for interpreting and applying cantonal law.

Distribution of Powers: The Swiss federal system is based on the principle of subsidiarity, which stipulates that decisions should be made at the lowest possible level of government. As a result, cantons have significant autonomy and responsibility for policy areas within their jurisdiction, such as education, healthcare, and taxation. The federal government, on the other hand, is responsible for issues that affect the country as a whole, such as foreign policy, defence, and the coordination of policy among cantons.

One important case law related to the distribution of powers in the Swiss federal system is the 2010 "Minaret" case. In this case, the Swiss Federal Supreme Court upheld the ban on the construction of minarets in Switzerland, ruling that the ban was within the jurisdiction of the cantons and did not violate Swiss constitutional law. The case highlights the important role of the cantons in determining policy on issues such as religious freedom and cultural identity.

THE ROLE OF CANTONS IN THE SWISS FEDERAL SYSTEM

In the Swiss federal system, the cantons play a critical role in the governance of the country. As mentioned earlier, the cantons enjoy significant autonomy and are responsible for policy areas within their jurisdiction. This means that they have the power to make decisions on issues such as education, healthcare, and taxation. One of the key features of Swiss federalism is the principle of subsidiarity, which stipulates that decisions should be made at the lowest possible level of government. This means that the cantons are given primary responsibility for policy areas within their jurisdiction, while the federal government is responsible for issues that affect the country as a whole.

The role of the cantons in the Swiss federal system can be illustrated by the following examples:

Education: In Switzerland, the cantons have primary responsibility for education. This means that they are responsible for developing curricula, managing schools, and hiring teachers. The federal government, on the other hand, is responsible for coordinating education policy among the cantons and for promoting national standards.

Healthcare: The cantons are also responsible for healthcare policy in Switzerland. This means that they are responsible for providing healthcare services and for regulating healthcare providers within their jurisdiction. The federal government, on the other hand, is responsible for coordinating healthcare policy among the cantons and for promoting national standards.

Taxation: The cantons are responsible for setting their own tax rates and for collecting taxes within their jurisdiction. This means that they have significant autonomy when it comes to taxation policy. The federal government, on the other hand, is responsible for regulating taxation policy at the national level and for coordinating policy among the cantons.

One important case law related to the role of cantons in the Swiss federal system is the "Aargau Nuclear Power Plant" case. In this case, the Swiss Federal Supreme Court ruled that the canton of Aargau had the power to impose stricter safety requirements on a nuclear power plant within its jurisdiction than those imposed by federal law. The case highlights the important role of the cantons in determining policy on issues such as environmental protection and public safety.

Challenges and achievements of Swiss federalism

Swiss federalism has been widely recognized as a successful model of decentralized governance, with the cantons playing a significant role in policy-making and service delivery.

However, like any system of governance, Swiss federalism also faces a number of challenges. Here are some of the challenges and achievements of Swiss federalism:

Challenges:

Coordination: One of the key challenges of Swiss federalism is coordination among the cantons and between the cantons and the federal government. As each canton has significant autonomy, it can be difficult to develop and implement national policies that are consistent across the country.

Fiscal disparities: There are significant disparities in wealth and income across the cantons, which can create challenges for fiscal policy. Some cantons have higher tax revenues than others, which can create tensions over how resources are allocated.

Language and cultural diversity: Switzerland has four official languages and a diverse cultural landscape, which can create challenges for national unity and cohesion.

Achievements: Decentralization: Swiss federalism has been successful in decentralizing power and decision-making to the cantons, which has resulted in greater local responsiveness and accountability.

Stability: Switzerland has a long tradition of stability and consensus-building, which has been supported by the federal system of governance. The federal system has provided a framework for resolving disputes and managing differences among the cantons.

Economic success: Switzerland has a strong economy and is widely recognized as one of the most competitive countries in the world. The federal system has provided a framework for economic growth and development, with cantons able to pursue their own economic policies and strategies.

Case law: One important case law related to Swiss federalism is the "Nidwalden Flag"¹ case. In this case, the Swiss Federal Supreme Court ruled that the canton of Nidwalden had the right to use its own flag in official government buildings, even though the federal government had established a national flag. The case highlights the important role of the cantons in preserving their own cultural identities and traditions, while still maintaining a strong national identity.

¹ Crwflags, <https://www.crwflags.com/fotw/flags/ch-uw.html>, (last visited Feb. 27, 2023)

HISTORICAL BACKGROUND AND EVOLUTION OF FEDERALISM IN INDIA

India is a federal country with a system of government that divides power between the central government and the states. The evolution of federalism in India can be traced back to the colonial era, where the British established a system of indirect rule through local princes and rulers. After gaining independence in 1947, India adopted a federal system of government, which was enshrined in the Constitution of India. The Constitution provides for a distribution of powers between the central government and the states, with the central government responsible for issues that affect the country as a whole and the states responsible for issues within their jurisdiction. Over the years, the federal system in India has evolved, with the central government becoming more powerful and the role of the states being redefined. Here are some key historical developments in the evolution of federalism in India:

The Nehruvian era (1947-1964): Jawaharlal Nehru, the first Prime Minister of India, played a key role in shaping the federal system in India. He believed in a strong central government and favoured a system of planning and industrialization that required centralized control. During this era, the central government had significant powers and the states had limited autonomy.

The era of coalition politics (1989-1999): In the 1980s and 1990s, India witnessed a rise in coalition politics, with regional parties gaining strength and forming alliances with national parties. This led to a redefinition of the federal system, with the states gaining greater autonomy and the central government becoming more decentralized.

The era of economic liberalization (1991-present): In 1991, India adopted a program of economic liberalization, which opened up the economy to foreign investment and reduced government regulation. This led to a shift in power from the central government to the states, as states became more active in attracting investment and promoting economic growth.

Case law: One important case law related to federalism in India is the "*S. R. Bommai v. Union of India*"² case. In this case, the Supreme Court of India ruled that the central government cannot dismiss a state government on the grounds of political instability or loss of majority in the state legislature. The ruling established the principle of federalism as a basic feature of the

² S. R. Bommai v. Union of India, 1994 AIR 1918, 1994 SCC (3) 1.

Indian Constitution and limited the power of the central government to intervene in state affairs. The case is widely regarded as a landmark in the evolution of federalism in India.

In *State of Rajasthan v Union of India*³, 1977 former chief justice Beg, called the constitution of India as “amphibian” he further stated that if our constitution creates a central government which is amphibian in the sense that it can be either federal or unitary according to the need of the situation and the circumstance of the case.

*State of West Bengal v Union of India*⁴ in this case dealt with the issue of the exercise of sovereign powers by Indian states. In this case, the Supreme Court held that the Indian constitution does not promote a principle of absolute federalism. The court further states 4 characteristics highlighting the facts that the Indian constitution is not a traditional federal constitution.

1. The first characteristic is highlighted by the court is that constitution of India is the supreme document which governs all states and there is no provision of separate constitutions for each state as required in the federal state.
2. The second characteristic is highlighted by the court is that the states have no power to alter the constitution but only central government has the power to alter the constitution of India.
3. The third characteristic is highlighted by the court is that the Indian constitution renders supreme power upon the courts to invalidate any action which violates the constitution.
4. The fourth characteristic is highlighted by the court is that the distribution of powers facilitates national policies matter by central government and local governance by the state government.

The Supreme Court further held that the central government is the final authority for any issue. The political power distributed between both union and state government with greater weight given to union government. Another thing which is against the pure form of federalism is there is concept of single citizenship in India. The learned judges finally concluded that the structure

³ State of Rajasthan v Union of India , 1977 AIR 1361, 1978 SCR (1) 1.

⁴ State of West Bengal v Union of India, 1963 AIR 1241, 1964 SCR (1) 371.

of India as provided by the constitution is centralized, with the states occupying a secondary position vis-à-vis the Centre.

THE INDIAN FEDERAL SYSTEM: STRUCTURE AND DISTRIBUTION OF POWERS

The Indian federal system is a two-tier system of government that divides power between the central government and the states. The Constitution of India provides for a distribution of powers between the central government and the states, with the central government responsible for issues that affect the country as a whole and the states responsible for issues within their jurisdiction. The distribution of powers between the central government and the states is enshrined in the Seventh Schedule of the Constitution, which contains three lists:

Union List: This list contains subjects that are exclusively within the purview of the central government, such as defence, foreign affairs, currency, and taxation.

State List: This list contains subjects that are exclusively within the purview of the state governments, such as agriculture, education, health, and public order.

Concurrent List: This list contains subjects that are within the purview of both the central government and the state governments, such as criminal law, marriage and divorce, and social security.

In addition to these lists, the Constitution also provides for a system of checks and balances between the central government and the states. The central government has the power to override state legislation in certain circumstances, such as when there is a conflict between state and central law or when it is necessary to protect national security.

Case law: One important case law related to the distribution of powers in the Indian federal system is the "*Golak Nath v. State of Punjab*⁵" case. In this case, the Supreme Court of India ruled that the Parliament did not have the power to amend the Fundamental Rights enshrined in the Constitution. The ruling was significant because it established the principle of the supremacy of the Constitution and limited the power of the central government to amend the Constitution. Subsequently, the Parliament passed the 24th Amendment to the Constitution,

⁵ *Golak Nath v. State of Punjab*, 1967 AIR 1643, 1967 SCR (2) 762.

which gave it the power to amend the Constitution, subject to certain limitations. The case is widely regarded as a landmark in the evolution of federalism in India.

THE ROLE OF STATES IN THE INDIAN FEDERAL SYSTEM

In the Indian federal system, the states play a critical role in the governance of the country. The states have the power to make laws and policies on a wide range of issues that affect their citizens, including education, healthcare, agriculture, and public order. The Constitution of India recognizes the importance of the states and provides for a system of checks and balances between the central government and the states to ensure a balanced distribution of power.

One of the key features of the Indian federal system is the principle of federal supremacy, which ensures that the central government has the final say on matters of national importance. However, the states also have considerable autonomy in matters that fall within their jurisdiction, and they play a significant role in shaping national policies and laws.

CHALLENGES AND ACHIEVEMENTS OF INDIAN FEDERALISM

Indian federalism has faced a number of challenges since its inception, including tensions between the central government and the states, disputes over the distribution of resources, and conflicts over cultural and linguistic differences. Despite these challenges, the Indian federal system has achieved some notable successes, including the devolution of power to the states, the expansion of democratic participation, and the promotion of diversity and cultural pluralism.

Challenges:

Centralization of power: One of the main challenges of Indian federalism is the concentration of power in the central government. This has led to tensions between the central government and the states, particularly over issues related to financial resources and political autonomy.

Economic disparities: Another challenge of Indian federalism is the unequal distribution of resources between the states. This has led to economic disparities, with some states experiencing higher levels of poverty and underdevelopment than others.

Cultural and linguistic differences: India is a diverse country with multiple cultures and languages. This has led to conflicts between the central government and the states over issues related to language, culture, and identity.

Political instability: The frequent changes in political leadership at the state level have also posed a challenge to Indian federalism, with some states experiencing political instability and uncertainty.

Achievements:

Devolution of power: Despite these challenges, Indian federalism has achieved some notable successes, including the devolution of power to the states. This has given the states greater autonomy and responsibility in decision-making, particularly in areas such as education, health, and social welfare.

Expansion of democratic participation: Indian federalism has also contributed to the expansion of democratic participation, with greater representation for marginalized communities at the state level. This has helped to promote greater social and political inclusion and reduce inequality.

Cultural pluralism: Indian federalism has promoted cultural pluralism and diversity by recognizing and protecting the rights of minority communities. This has helped to preserve India's rich cultural heritage and promote social harmony and understanding.

Economic growth: Despite the economic disparities between states, Indian federalism has contributed to overall economic growth and development. The decentralization of power has allowed the states to adopt policies that are tailored to their specific needs and circumstances, leading to increased investment and economic activity.

One significant case law related to the challenges and achievements of Indian federalism is the "*Kesavananda Bharati v. State of Kerala*"⁶ case. In this landmark case, the Supreme Court of India addressed the issue of constitutional limits on the power of the central government to amend the Constitution. The court held that the Constitution of India is a living document that can be amended, but that the basic structure of the Constitution is sacrosanct and cannot be altered. This ruling was significant because it upheld the principle of federalism and the autonomy of the states, and established limits on the power of the central government to interfere in state affairs. The ruling also contributed to the expansion of democratic participation by promoting greater representation for marginalized communities and protecting

⁶ *Kesavananda Bharati v. State of Kerala*, (1973) 4 SCC 225, AIR 1973 SC 1461.

the rights of minorities. Overall, the Kesavananda Bharati case is considered a key milestone in the evolution of Indian federalism and the protection of democratic values in the country.

SIMILARITIES AND DIFFERENCES IN THE FEDERAL STRUCTURES OF SWITZERLAND AND INDIA

Switzerland and India have two distinct federal systems with unique features, but they also share some similarities. Here are some of the similarities and differences between the federal structures of Switzerland and India:

Structure: Both Switzerland and India have a federal structure with a central government and constituent units, i.e., cantons in Switzerland and states in India. However, the two countries have different numbers of these units - Switzerland has 26 cantons while India has 28 states and 8 union territories.

Distribution of powers: In both countries, the Constitution defines the distribution of powers between the central government and the constituent units. Both systems have a system of shared powers, with some subjects falling under the jurisdiction of the central government, some under the cantons/states, and others under joint responsibility.

Autonomy of cantons/states: Both the cantons in Switzerland and states in India have significant autonomy in certain areas of governance, including education, health, and social welfare.

Role of judiciary: The judiciary plays a critical role in both systems, with the Constitution providing for an independent judiciary to interpret and enforce the law.

Election system: Both countries have a federal election system, with voters electing representatives at the central and cantonal/state levels.

Language and cultural diversity: Both Switzerland and India have significant linguistic and cultural diversity. Switzerland has four official languages, while India recognizes 22 languages. Both systems have provisions to protect linguistic and cultural diversity.

However, there are also significant differences between the two federal systems:

Degree of centralization: Switzerland has a more decentralized federal structure than India, with greater autonomy granted to the cantons. In contrast, the Indian federal system is more centralized, with the central government playing a greater role in decision-making.

Revenue sharing: The two countries also have different systems of revenue sharing. In Switzerland, the cantons have a greater share of revenue, while in India, the central government has greater control over resources and revenue sharing.

Federalism as a result of history: The two countries have different histories and contexts that have shaped their federal structures. Switzerland's federalism was a result of historical struggles for autonomy and power-sharing between its cantons, while India's federalism was established in response to the challenges of governing a diverse and pluralistic society.

In summary, while there are some similarities between the federal structures of Switzerland and India, there are also significant differences in terms of centralization, revenue sharing, and the historical and political contexts that have shaped their respective federal systems.

COMPARATIVE ANALYSIS OF THE DISTRIBUTION OF POWERS BETWEEN THE CENTRAL AND STATE/CANTONAL GOVERNMENT

The distribution of powers between the central and state/cantonal governments is a critical aspect of federalism in both Switzerland and India. Here is a comparative analysis of the distribution of powers in the two countries:

Switzerland: Switzerland has a highly decentralized federal system, with a significant degree of autonomy granted to the cantons. The Swiss Constitution defines the distribution of powers between the central government and the cantons, with the cantons having jurisdiction over matters such as education, culture, health, and social welfare. The central government has responsibility for defence, foreign affairs, and currency.

India: India's federal structure is more centralized than Switzerland, with greater powers vested in the central government. The Indian Constitution divides powers between the central government and the states, with the central government having control over subjects such as defence, foreign affairs, currency, and communications. The states have jurisdiction over subjects such as health, education, agriculture, and social welfare.

There are some key differences in the distribution of powers between the two countries. One of the main differences is the degree of autonomy granted to the cantons/states. In Switzerland, the cantons have greater autonomy and control over their affairs, whereas in India, the central government plays a more significant role in decision-making. This is reflected in the fact that Switzerland's cantons have greater legislative powers and can levy their taxes, while in India,

the states are largely dependent on the central government for revenue. Another difference is the role of the judiciary in the distribution of powers. In Switzerland, the cantons have a degree of autonomy in interpreting the law and are responsible for their judicial systems. In contrast, India has a more centralized judiciary, with the Supreme Court playing a critical role in interpreting and enforcing the Constitution. Overall, the distribution of powers in the federal structures of Switzerland and India reflects the differing political and historical contexts in which the two systems were established. While Switzerland's highly decentralized federal system reflects its history of power-sharing between cantons, India's more centralized federal structure reflects the challenges of governing a diverse and complex society.

COMPARISON OF FISCAL FEDERALISM IN SWITZERLAND AND INDIA

Fiscal federalism refers to the distribution of financial resources and responsibilities between the central and subnational governments in a federal system. Here is a comparison of fiscal federalism in Switzerland and India:

Switzerland: In Switzerland, fiscal federalism is based on the principle of subsidiarity, which means that the central government only intervenes in areas where the cantons cannot effectively manage their affairs. The cantons have significant fiscal autonomy, with the power to levy their taxes, set tax rates, and determine spending priorities. The federal government's primary sources of revenue are income tax, value-added tax (VAT), and customs duties. The federal government transfers funds to the cantons to support their social welfare and infrastructure programs. The Swiss fiscal federalism system is characterized by inter-cantonal fiscal equalization, which means that the cantons with higher fiscal capacity transfer funds to those with lower fiscal capacity.

India: In India, fiscal federalism is more centralized, with the central government playing a dominant role in fiscal matters. The central government controls most sources of revenue, including income tax, corporate tax, and excise duty. The states' primary sources of revenue are sales tax (now replaced by GST) and taxes on goods and services. The central government transfers funds to the states through a variety of mechanisms, including revenue sharing, grants-in-aid, and centrally sponsored schemes. The Indian fiscal federalism system is characterized by horizontal and vertical fiscal equalization, which means that the central government transfers funds to the states based on their needs and fiscal capacity. There are some key differences in fiscal federalism between Switzerland and India. One significant difference is the degree of fiscal autonomy granted to the subnational governments. In Switzerland, the

cantons have significant fiscal autonomy, including the power to levy their taxes, while in India, the states are heavily reliant on transfers from the central government.

Another difference is the method of intergovernmental fiscal transfers. In Switzerland, inter-cantonal transfers are based on fiscal equalization, while in India, transfers are based on both fiscal and developmental criteria. Overall, the differences in fiscal federalism between Switzerland and India reflect the different political and economic contexts in which the two systems were established. While Switzerland's highly decentralized federal system allows for greater fiscal autonomy at the subnational level, India's more centralized system is designed to address the challenges of governing a diverse and complex society.

COMPARATIVE ANALYSIS OF CHALLENGES FACED BY SWISS AND INDIAN FEDERALISM

Despite the differences in their political and economic contexts, both Switzerland and India have faced several challenges in their federal systems. Here is a comparative analysis of some of the challenges faced by Swiss and Indian federalism:

Cultural and linguistic diversity: Both Switzerland and India are characterized by significant cultural and linguistic diversity, which can pose challenges to federalism. In Switzerland, there are four official languages, and the cantons have different cultural and linguistic identities. In India, there are over 20 official languages and hundreds of regional languages and dialects. Managing linguistic and cultural diversity in a federal system requires ensuring that all groups have a voice in the decision-making process and that their rights and interests are protected.

Fiscal disparities: In both Switzerland and India, there are significant fiscal disparities between the central government and subnational governments. In Switzerland, the cantons have different fiscal capacities, with some having much higher per capita income than others. In India, there are significant disparities in per capita income and access to resources between states. These disparities can create challenges for fiscal federalism, as subnational governments with lower fiscal capacity may struggle to provide basic public services.

Balancing centralization and decentralization: Both Switzerland and India have struggled to find the right balance between centralization and decentralization. In Switzerland, there have been debates over the appropriate level of autonomy granted to the cantons, with some arguing for greater centralization of power. In India, there have been concerns that the central

government has too much power over the states and that this undermines the principles of federalism.

Political polarization: Both Switzerland and India have experienced political polarization at the national and subnational levels. In Switzerland, there have been debates over issues such as immigration and EU membership, which have led to political polarization between cantons. In India, there have been tensions between the central government and opposition-controlled states, which have led to disputes over issues such as resource allocation and governance. Overall, while Switzerland and India have faced different challenges in their federal systems, both countries have struggled to balance the competing demands of centralization and decentralization, manage cultural and linguistic diversity, and address fiscal disparities between the central government and subnational governments.

SUMMARY OF KEY FINDINGS FROM THE COMPARATIVE ANALYSIS

In summary, the comparative analysis of federalism in Switzerland and India reveals several key findings: Both countries have a federal system of government, but they differ in their approach to federalism. Switzerland follows a decentralized federal model, where cantons have significant autonomy, while India has a more centralized federal model, where states have less autonomy. Both countries have faced challenges related to cultural and linguistic diversity, fiscal disparities, and balancing centralization and decentralization. In Switzerland, the cantons have significant autonomy in areas such as education, healthcare, and taxation. In India, the states have less autonomy, with the central government controlling key areas such as defense and foreign policy. Fiscal federalism is a significant challenge in both countries, with disparities in per capita income and access to resources leading to unequal distribution of public services. Political polarization is another challenge faced by both countries, with debates over issues such as immigration and resource allocation leading to tensions between different regions and political parties. Overall, while Switzerland and India have different federal models, they face similar challenges related to federalism. Both countries have made significant achievements in managing their federal systems, but there is still room for improvement in areas such as fiscal federalism and managing cultural and linguistic diversity.

IMPLICATIONS OF THE STUDY FOR FUTURE RESEARCH ON FEDERALISM

The study on federalism in Switzerland and India provides important insights and implications for future research on federalism. Some of these implications include:

The need for more comparative studies: The study highlights the importance of comparative research in federalism. Future research could benefit from comparing federal systems in different countries and regions to gain a broader understanding of the strengths and weaknesses of different models.

The importance of examining the role of subnational governments: The study emphasizes the significant role of subnational governments in federal systems. Future research could explore the role of states, provinces, and cantons in other federal countries and examine their impact on governance.

The need to examine the impact of federalism on socio-economic development: The study highlights the challenges and achievements of federalism in Switzerland and India in promoting socio-economic development. Future research could focus on the impact of federalism on economic growth, social welfare, and other indicators of development.

The importance of examining the political dynamics of federalism: The study highlights the role of politics in shaping federal systems. Future research could examine the political factors that influence the success or failure of federal systems, including the role of political parties, interest groups, and public opinion.

The need to examine the impact of federalism on minority rights: The study highlights the challenges of managing cultural and linguistic diversity in federal systems. Future research could focus on the impact of federalism on minority rights and explore strategies for promoting cultural and linguistic diversity in federal countries.

CONCLUSION

India and Switzerland have also undergone many changes where the trend of Indian federal system has been changed from centralized to co-operative federalism and Swiss federal system from extreme decentralization to centralized. Consequent developments in the twentieth and the twenty-first century made necessary to adopt new federal forms of governments to the changing technologies and forms to the growing demands of the social service state and planned socio-economic development. These attempts have brought such transformations in the traditional pattern of union-state relations that some writers describe the new trends as co-operative federalism as contrasted with 'compartmental' or 'competitive federalism'. Switzerland and federalism are inseparable. Without its federal system, Switzerland would be a different country. The Switzerland we know today was only made possible by the conscious decisions to forego an all-powerful central government and to devolve power a responsibility. Swiss federalism has followed the tradition of all federal states in the Europe by following the "executive federalism" of the European Union. Where all federal statutes and ordinances are in

general, first interpreted and applied by cantonal administration and controlled by cantonal administrative courts depending on cantonal administrative procedure. This type of federalism has been called 'executive federalism'. Whereas when we talk about India since the Indian government lacks the characteristics of a pure federal government, which is only practised in the United States of America, it is more akin to a quasi-federal system. This is because it has features like a single citizenship, a single constitution, and flexibility in its constitution. Although the Indian government has elements of a federal government, such as a power structure and a partially rigid constitution, it is not regarded as a true federal government but rather as a quasi-federal one.

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