
COOPERATIVE FEDERALISM IN INDIA: NAVIGATING THE INTERPLAY OF COLLABORATION AND COMPETITION IN A DIVERSE NATION

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ABSTRACT

"Federalism is not a set of fixed institutions. It is a process, a continuing search for a harmonious balance between unity and diversity."

– Daniel J. Elazar.

India, the world's largest democracy, is governed by a federal structure uniquely characterized by a blend of both federal and unitary features. Although the Indian Constitution does not explicitly mention the term "cooperative federalism," its essence permeates several constitutional provisions and institutional practices. Cooperative federalism in India refers to the collaborative relationship between the Union and State governments to address national challenges and pursue common developmental goals. This paper examines the historical and conceptual foundations of cooperative federalism in India, tracing its evolution from the Constituent Assembly debates to its current application in policymaking and implementation.

The paper critically analyze the constitutional and institutional mechanisms such as the Inter-State Council, NITI Aayog, Finance Commission, and centrally sponsored schemes—that facilitate intergovernmental dialogue and collaborative governance. It also discusses how cooperative federalism is reflected in national programs like Swachh Bharat Abhiyan, the Goods and Services Tax (GST), and disaster management efforts, where coordinated action across levels of government is essential.

However, the practical realization of cooperative federalism often faces challenges including political divergence, fiscal centralization, asymmetrical capacities among states, and lack of institutional autonomy. In this context, the paper explores the emergence of competitive federalism, where states compete to attract investment, improve governance standards, and perform better on developmental benchmarks. Initiatives such as the Business Reform Action Plan (BRAP) and state-wise Ease of Doing Business rankings exemplify this shift towards performance-based competition.

The paper argues that cooperative and competitive federalism are not mutually exclusive but coexist dynamically in India's governance framework. A balanced interplay between collaboration and competition is crucial for fostering innovation, inclusivity, and efficiency in a diverse nation. Ultimately, this study highlights the evolving nature of Indian federalism and its significance in shaping responsive and resilient governance.

Keywords: Cooperative Federalism, Competitive Federalism, Indian Constitution, Centre-State Relations, NITI Aayog, Goods and Services Tax, Inter-State Council.

1. INTRODUCTION

The Indian Constitution establishes a multi-tiered governance framework, allocating powers among the Union, State, and local governments. Despite a constitutional tilt toward a strong central authority, effective governance and national development hinge on a collaborative approach. Cooperative federalism, as a cornerstone of India's political system, entails the Union, States, and local bodies working together to address shared challenges and achieve common goals, sharing responsibilities rather than adhering to rigid divisions of authority. The Supreme Court of India has affirmed this cooperative model as a defining feature of Indian federalism¹. In contrast to dual federalism, where governments operate with greater autonomy, cooperative federalism emphasizes interdependence, with states playing a pivotal role in implementing central policies while receiving funding and guidance from the Union. This paper contends that cooperative federalism, while central to India's governance, increasingly intersects with competitive federalism, creating a dynamic and evolving Centre-State relationship that balances collaboration with state-driven innovation to meet diverse regional needs and national priorities.

2. HISTORICAL ROOTS AND EVOLUTION

The concept of cooperative federalism in India, while formalized in the modern constitutional framework, is not solely a post-independence phenomenon; it draws on a rich historical tradition of power-sharing and collaborative governance across the diverse Indian subcontinent. In **ancient India**, empires like the Mauryan Empire (321–185 BCE) practiced a

¹ Kirti Singh Chauhan & Arryan Mohanty, "Cooperative federalism: The Indian way" 2 Indian journal of law and society 42 (2024)

form of decentralized administration, where central authority under rulers like Ashoka was balanced with regional autonomy granted to provincial governors² (mahajanapadas and janapadas). These local entities managed internal affairs, such as taxation and justice, while aligning with imperial policies on trade and security, reflecting early cooperative governance. Similarly, the Gupta Empire (320–550 CE) employed a system of local self-governance through village councils (grama sabhas) and regional administrators, fostering collaboration between central and local authorities to ensure stability and cultural integration. In the medieval period, the Chola Dynasty (9th–13th centuries) exemplified cooperative federalism through its sophisticated administrative structure, where local assemblies (Sabhas and ors.) managed village affairs under the oversight of provincial governors, who coordinated with the central monarchy to implement policies like irrigation and temple administration.

During the **Mughal Empire (1526–1857)**, the subedar system allowed provincial governors to govern autonomously in matters of local administration while adhering to central directives on revenue collection and military obligations, creating a cooperative framework to manage a vast and diverse empire. The British colonial era marked a gradual shift toward federal principles. The Regulating Act of 1773 centralized colonial governance but permitted limited local autonomy in presidencies like Bengal, Bombay, and Madras. The Government of India Act of 1919 introduced dyarchy, dividing provincial subjects into “transferred” (managed by Indian ministers) and “reserved” (controlled by British governors), fostering cooperation between colonial authorities and local leaders. The Government of India Act of 1935 laid a more explicit federal foundation by proposing a federation of British provinces and princely states, with a bicameral legislature and a clear division of powers, though its federal provisions were curtailed by World War II and princely state resistance.

Post-independence, the integration of over 500 princely states into the Indian Union, spearheaded by Sardar Vallabhbhai Patel, exemplified cooperative nation-building, as negotiations and diplomacy ensured a unified yet diverse nation. Jawaharlal Nehru emphasized consultation with states on critical issues, fostering collaboration during the early decades when the Indian National Congress dominated both centre as well as state. The initial decades of independence saw robust cooperative federalism, facilitated by political homogeneity. However, the rise of regional parties and coalition governments in the 1980s, such as the

² Dr. Umakant Sahu, “co-operative federalism in India” 7 International journal of creative research thoughts 207 (2019)

Dravida Munnetra Kazhagam in Tamil Nadu and the Telugu Desam Party in Andhra Pradesh, introduced periods of both cooperation and confrontation, underscoring the dynamic nature of Centre-State relations. Institutions like the Planning Commission (replaced by NITI Aayog in 2015) and the National Development Council were established to promote collaborative development planning. The Sarkaria Commission (1988) and Punchhi Commission (2010) reviewed Centre-State relations, recommending measures like activating the Inter-State Council and limiting the misuse of Article 356 to strengthen cooperative federalism. The introduction of the Goods and Services Tax (GST) in 2017, designed through consensus between the Centre and states, marked a milestone in cooperative fiscal federalism, creating a unified tax structure while navigating complex negotiations over revenue sharing. These historical and modern developments illustrate how cooperative federalism has evolved as a resilient framework for managing India's diversity, building on centuries-old traditions of collaborative governance.

3. CONSTITUTIONAL PRINCIPLES AND INSTITUTIONAL PLATFORMS OF COOPERATIVE FEDERALISM

Although the Indian Constitution does not explicitly reference the term "cooperative federalism," its architecture is imbued with provisions that foster collaboration and interdependence among the Union, States, and local governments. These provisions, carefully crafted to balance a strong central authority with regional autonomy, create a framework where different tiers of government work in concert to address shared challenges and advance national objectives. By embedding various institutional mechanisms for coordination, mutual trust, and resource-sharing, the Constitution lays a robust foundation for cooperative federalism, ensuring that India's diverse polity functions as a cohesive whole. The following provisions exemplify this collaborative ethos:

(i) Division of Legislative Powers (Seventh Schedule, Article 246³): The Constitution delineates legislative authority through the Union List, State List, and Concurrent List, fostering a cooperative dynamic. The Union List grants the Centre exclusive powers over matters like defence and foreign affairs, while the State List empowers states to legislate on subjects like agriculture and public health. The Concurrent List, encompassing areas such as education and labour, requires both levels to collaborate, as overlapping jurisdiction

³ The Constitution of India

necessitates consultation to avoid conflicts. For instance, the Right to Education Act⁴ (2009) reflects Centre-State coordination in implementing a shared educational mandate, highlighting the cooperative essence of this division.

(ii) Unified Judicial System (Articles 124–147⁵, 312): The establishment of an integrated judiciary, with the Supreme Court at its apex and High Courts in states, ensures a cohesive legal framework for enforcing both Union and state laws. This system promotes cooperative governance by providing a neutral arbiter for Centre-State disputes and ensuring uniform interpretation of laws across jurisdictions. The Supreme Court's rulings, such as in *Union of India v. Mohit Minerals*⁶ (2022), have reinforced the collaborative nature of institutions like the GST Council, underscoring the judiciary's role in upholding cooperative federalism.

(iii) All India Services (Article 312⁷): The All India Services (AIS), including the Indian Administrative Service (IAS) and Indian Police Service (IPS), serve as a vital bridge between the Centre and states. IAS officers, recruited centrally but deployed across both levels of government, facilitate *policy* alignment and implementation. Their dual accountability fosters seamless coordination, as seen in the execution of national programs like the Digital India initiative, where IAS officers harmonize central guidelines with state-specific needs.

(iv) Inter-State Council (Article 263⁸): Envisioned as a forum for dialogue and dispute resolution, the Inter-State Council is a cornerstone of cooperative federalism. It enables the Centre and states, as well as states among themselves, to deliberate on matters of common interest, such as inter-state trade or resource sharing. However, its potential remains underutilized due to infrequent meetings only 12 since its inception in 1990⁹ highlighting the need for revitalization to strengthen collaborative governance.

(v) Zonal Councils and North Eastern Council (State Reorganisation Act¹⁰, 1956): Established to promote regional cooperation, Zonal Councils facilitate coordination among states within designated zones on issues like infrastructure and economic development. For

⁴ The Right of Children to Free and compulsory education act, 2009(Act 35 of 2009)

⁵ *Supra* note 3

⁶ (2022) 9 SCR 300

⁷ *Supra* note 3

⁸ *Supra* note 3

⁹ Inter-state council secretariat, *available at* <https://interstatecouncil.gov.in/isc-meetings/> (last visited April 23, 2025)

¹⁰ The states reorganisation act, 1956 (Act 37 of 1956)

example, the Western Zonal Council, comprising Gujarat, Maharashtra, and Goa, has addressed shared concerns like coastal security. The North Eastern Council, created under a separate statute, fosters collaborative development in the northeastern states, exemplified by joint initiatives in hydropower and connectivity. These bodies embody cooperative federalism by encouraging states to align regional priorities with national goals.

(vi) Full Faith and Credit Clause (Article 261¹¹): This provision mandates mutual recognition of public acts, records, and judicial proceedings across India, fostering trust and cooperation among states and between the Centre and states. By ensuring that a court judgment in Kerala is enforceable in Uttar Pradesh, Article 261 creates a unified legal ecosystem, essential for collaborative governance in a diverse nation.

(vii) Fiscal Federalism (Part XII, Articles 268–293, 280): The Constitution's financial provisions establish a cooperative framework for resource allocation. The Finance Commission, constituted every five years under Article 280, recommends the division of tax revenues and grants-in-aid, ensuring equitable distribution to states. For instance, the 15th Finance Commission (2021–2026) allocated 41% of the central tax pool to states¹², balancing regional needs with national priorities. The Goods and Services Tax Council, a constitutional body under Article 279A, epitomizes cooperative fiscal federalism. Comprising Union and state representatives, it makes consensus-based decisions on tax rates and policies, as seen in the unified GST framework implemented in 2017, which harmonized India's tax structure while addressing state concerns over revenue autonomy.

(viii) Local Governance (73rd and 74th Amendments, 1992): The 73rd and 74th Constitutional Amendments institutionalized local self-governance by empowering Panchayati Raj institutions and urban local bodies. These amendments mandate states to devolve functions, funds, and functionaries to local governments, creating a third tier that complements Centre-State cooperation. Programs like the Smart Cities Mission rely on collaboration among the Centre, states, and municipalities, illustrating multi-tiered cooperative federalism in action.

(ix) Emergency Provisions and Safeguards (Articles 356, 360)¹³: While emergency provisions allow central intervention, judicial oversight, such as in *S.R. Bommai v. Union of*

¹¹ *Supra* note 3

¹² Prs India available at <https://prsindia.org/policy/report-summaries/report-15th-finance-commission-2021-26> (last visited April 23, 2025)

¹³ *Supra* note 3

*India*¹⁴ (1994), has ensured that mechanisms like President's Rule (Article 356) respect federal principles, reinforcing cooperative federalism by preventing arbitrary central overreach.

(x) NITI Aayog: Established in 2015 as a successor to the Planning Commission, the National Institution for Transforming India (NITI Aayog) is a pivotal think tank designed to promote cooperative federalism. Its Governing Council, comprising Chief Ministers of all states and Lieutenant Governors of Union Territories, serves as a robust platform for inclusive policy formulation and national development planning. Unlike the Planning Commission's top-down approach, NITI Aayog emphasizes state participation, as seen in initiatives like the Aspirational Districts Programme, which tailors development strategies to local needs through Centre-State collaboration.

(xi) Centrally Sponsored Schemes (CSS): These schemes, funded wholly or partially by the Centre but executed by states, are quintessential examples of cooperative federalism in action. Programs like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), providing 100 days of wage employment, and the Pradhan Mantri Gram Sadak Yojana, enhancing rural connectivity, rely on shared financial and administrative responsibilities. The Swachh Bharat Mission, launched in 2014, achieved over 90% open-defecation-free status in rural India by 2019 through Centre-State-local collaboration, though uneven implementation highlights challenges in aligning priorities. CSS often spark debates over state autonomy, as centrally mandated guidelines can limit flexibility, necessitating greater consultation to optimize cooperative outcomes.

(xii) Inter-State Water Dispute Resolution Mechanism (Article 262)¹⁵: Water disputes, such as those over the Cauvery and Godavari rivers, underscore the need for cooperative mechanisms to manage shared resources. The Constitution empowers the Centre to establish tribunals and mediate disputes, reflecting a cooperative yet sometimes interventionist role. The Cauvery Water Management Authority (2018), formed after decades of litigation, exemplifies Centre-State collaboration in implementing tribunal awards, though delays and political tensions reveal the complexities of cooperative resource governance.

¹⁴ AIR 1994 SC 1918

¹⁵ *Supra* note 3

(xiii) Governor's Role (Article 155)¹⁶: Governors, appointed by the President, act as a constitutional link between the Centre and states, facilitating coordination on policy and legal matters. Their role in assenting to state bills or reporting on state governance can promote cooperative federalism. However, controversies, such as delays in bill assent in states like Tamil Nadu (2023), highlight how political differences can transform this mechanism into a source of friction, undermining cooperative spirit.

(xiv) Finance Commission (Article 280): The Finance Commission, constituted every five years, plays a critical role in cooperative fiscal federalism by recommending the division of tax revenues and grants-in-aid. The 15th Finance Commission (2020–2025) allocated 41% of the central tax pool to states, alongside ₹1.92 lakh crore for local bodies, strengthening multi-tiered cooperation¹⁷. Its recommendations balance fiscal equity with state-specific needs, fostering trust in Centre-State financial relations.

(xv) National Development Council (NDC): Though less active in recent years, the NDC, comprising the Prime Minister, Union Ministers, and Chief Ministers, historically facilitated cooperative planning by approving Five-Year Plans. Its legacy of Centre-State dialogue continues to inform institutions like NITI Aayog, underscoring the importance of high-level consultation in cooperative federalism.

(xvi) Crisis Management Frameworks: Regular consultations between central and state leaders, particularly during crises, operationalize cooperative federalism. The National Disaster Management Authority (NDMA), established under the Disaster Management Act, 2005, coordinates Centre-State responses to calamities like cyclones and floods. During the 2013 Uttarakhand floods, NDMA's collaboration with state agencies ensured effective relief, demonstrating cooperative federalism in action. Similarly, the COVID-19 response involved Chief Ministers' meetings and central funding (₹1.5 lakh crore in relief packages), though later tensions over vaccine distribution underscored the need for robust crisis protocols.

(xvii) Inter-State Trade and Commerce Mechanisms (Articles 301–307): The Constitution's provisions for free trade and commerce across India encourage cooperative economic integration. The National Logistics Policy (2022), implemented through Centre-State partnerships, streamlines inter-state supply chains, enhancing economic cooperation. For

¹⁶ *Id.*

¹⁷ Finance commission of India, "The report of 15th Finance Commission for 2021-2026" (2021)

example, states like Gujarat and Maharashtra collaborate on logistics hubs to boost trade, reflecting cooperative federalism in economic governance.

4. COMPETITIVE FEDERALISM

Competitive federalism in India is a governance model where states engage in dynamic rivalry to attract investments, resources, and economic opportunities, complementing the collaborative framework of cooperative federalism. Unlike cooperative federalism, which fosters shared responsibilities between the Union, States, and local governments, competitive federalism drives both vertical competition (Centre vs. states) and horizontal competition¹⁸ (state vs. state). Sparked by the 1991 economic reforms, this model has gained prominence in recent years, with states leveraging policy innovations to enhance their economic profiles. The seeds of competitive federalism were sown during the 1991 Liberalization, Privatization, and Globalization (LPG) reforms, which shifted India toward a market-driven economy, granting states greater autonomy to attract investments. Factors which boost competitive federalism includes:

a. Fiscal Incentives: States compete for central funds, such as performance-based grants recommended by the 15th Finance Commission (2020–2025), which allocated 41% of the tax pool to states and introduced indicators like fiscal discipline for fund allocation¹⁹.

b. Investment Attraction: States vie for foreign direct investment (FDI) and private capital by streamlining regulations. In 2024–25, India attracted \$70 billion in FDI, with Gujarat, Maharashtra, and Karnataka securing 65% of inflows due to robust business reforms.

c. Global Integration: Globalization enables states to engage directly with international markets, exemplified by Tamil Nadu's \$5 billion investment deals with tech firms like Apple and TSMC in 2024, boosting its semiconductor ecosystem.

d. Digital Transformation: Technology-driven governance, such as single window clearance systems, enhances state competitiveness, with Uttar Pradesh's Nivesh Mitra portal processing 60,000 applications in 2024–25.

¹⁸ Drishti IAS, "Competitive and cooperative federalism" available at: <https://www.drishtiiias.com/daily-updates/daily-news-analysis/competitive-and-cooperative-federalism> (last visited April 23, 2025)

¹⁹ *Supra* note 17

Since replacing the Planning Commission in 2015, **NITI Aayog** has championed a hybrid model of cooperative and competitive federalism, fostering “Team India” while promoting state rivalry through data-driven rankings. Recent initiatives include:

(i) Fiscal health Index (2025)²⁰: launched by NITI Aayog on January 24, 2025, is an annual publication assessing the fiscal health of 18 major Indian states for the financial year 2022–23. Using data from the Comptroller and Auditor General of India (CAG), it evaluates states’ contributions to India’s GDP, public expenditure, revenues, and fiscal stability. The FHI ranks states based on five sub-indices: Quality of Expenditure, Revenue Mobilization, Fiscal Prudence, Debt Index, and Debt Sustainability. Odisha topped the index with a score of 67.8, excelling in debt management and sustainability, followed by Chhattisgarh and Goa. The report promotes competitive federalism by encouraging states to improve fiscal strategies, fosters transparency, and guides policy reforms for sustainable economic growth, aligning with national objectives like Viksit Bharat

(ii) Performances: Indices like the SDG India Index 2023–24, India Innovation Index 2024, and State Energy Index 2024 rank states on sustainability, innovation, and energy efficiency. Karnataka led the Innovation Index 2024, while Gujarat topped the Energy Index with 20 GW of renewable capacity. These rankings drive policy reforms and peer learning

(iii) Aspirational District Programme: It is an initiative to accelerate the development of 112 underdeveloped districts across India, identified based on their socio-economic backwardness. Covering 26 states and one Union Territory, the programme focuses on improving key indicators in health and nutrition, education, agriculture and water resources, financial inclusion, skill development, and basic infrastructure. It promotes competitive federalism by ranking districts monthly on a delta ranking system, tracking incremental progress using 49 key performance indicators (KPIs) across these sectors. States and districts compete to enhance outcomes, with real-time data monitored via the Champions of Change Dashboard. By 2024, ADP has led to significant improvements, such as a 15% rise in health and education metrics in districts like Baramulla (J&K) and Bijapur (Chhattisgarh), fostering inclusive growth and aligning with India’s development goals.

²⁰ NITI Aayog, “Fiscal health index 2025 for the Financial year 2023” 31-32 (2025) *available at*: https://www.niti.gov.in/sites/default/files/2025-01/Fiscal_Health_Index_24012025_Final.pdf (last visited April 26, 2025)

(iv) Business reforms action plan: The Business Reform Action Plan (BRAP) is a program by the Indian government that helps states make it easier for businesses to start and grow by improving rules and reducing paperwork. Each year, states are ranked based on how well they implement these reforms. It encourages states to compete with each other to improve their business environment, attract investment, and create jobs, leading to overall growth and better governance.

5. ADVANTAGES OF THE COEXISTENCE OF COOPERATIVE AND COMPETITIVE FEDERALISM

The coexistence of cooperative and competitive federalism in India forms a flexible governance system that uses teamwork and healthy rivalry to meet the country's diverse social, economic, and regional needs. Cooperative federalism builds unity by encouraging the Union, States, and local governments to share tasks and make policies together. In contrast, competitive federalism sparks innovation and efficiency by motivating states to compete for funds, investments, and better performance. Together, these models improve governance by balancing national unity with regional freedom, supporting inclusive growth, and ensuring accountability. The following benefits show how their teamwork shapes effective governance across India's varied landscape.

(i) Better Governance through collaboration and competition: The blend of cooperative and competitive makes policies work better. Cooperative tools like the Goods and Services Tax (GST) Council create unified tax rules. Meanwhile, competitive federalism, driven by NITI Aayog's Business Reforms Action Plan (BRAP) 2024, pushes states like Andhra Pradesh and Gujarat to simplify business approvals, cutting processing times by 60% in 2024–25²¹. This mix helped India to reach the 63rd spot in the World Bank's Ease of Doing Business ranking²² in 2020, showing how teamwork sets national goals while competition improves state performance.

²¹ V. Raghavendra, "BRAP 2024: Andhra Pradesh confident of remaining a top achiever", *The Hindu*, September 15, 2024 available at: <https://www.thehindu.com/news/national/andhra-pradesh/brap-2024-andhra-pradesh-confident-of-remaining-a-top-achiever/article68645340.ece> (last visited April 26, 2025)

²² World Bank group, "ease of doing business 2020" available at: https://archive.doingbusiness.org/content/dam/doingBusiness/pdf/db2020/Doing-Business-2020_rankings.pdf (last visited May 2, 2025)

(ii) Encourage growth in all regions: The two models work together to support development in regions with diverse needs. Cooperative federalism ensures fair distribution of resources, helping less developed areas access funds for essential services like education and healthcare. Competitive federalism motivates these regions to improve their performance through rivalry, ensuring that all areas contribute to national progress while addressing local challenges.

(iii) Sparks new ideas and solutions: Competitive federalism lets states test new ideas, acting as “testing grounds” for policies that can spread nationwide through cooperative platforms. For example, Karnataka’s K-SMART platform (2024), using AI for local governance, inspired Maharashtra to adopt similar tools in 2025²³. Cooperative forums like NITI Aayog’s Governing Council share successes, such as Gujarat’s solar energy model (22 GW in 2024), adopted by Rajasthan and Tamil Nadu. This mix drives creative solutions while keeping policies aligned with national plans.

(iv) Improve accountability and openness: Competitive federalism promotes accountability by comparing state performance, initiatives like fiscal health index pushing leaders to improve governance and be transparent with results. Cooperative federalism reinforces this through forums like Inter-State council that encourage dialogue and dispute resolution among governments. Together, they create a system where states are motivated to operate openly, benefiting citizens and stakeholders.

(v) Boost economic growth: The blend of both models strengthens the economy by encouraging states to compete for investments while working within a national framework. Competitive federalism drives states to create business-friendly environments, attracting global opportunities. Cooperative federalism ensures these efforts support national economic goals, enhancing the country’s position in the global market.

(vi) Balance local needs with national unity: cooperative federalism fosters national unity by promoting collaboration on shared challenges, ensuring a cohesive approach across regions. Competitive federalism allows states to address local priorities, tailoring policies to their

²³ Anil Mukuneri, “K-SMART: Neighbouring states mull to roll out similar projects, approach for consultation”, *mathrubhumi.com*, January 12, 2024 available at: <https://english.mathrubhumi.com/news/kerala/neighbors-states-approach-kerala-for-consultation-on-k-smart-like-projects-0eb6262a> (last visited May 3, 2025)

unique needs. This balance supports diverse regional identities while maintaining a strong, unified national structure.

6. CHALLENGES IN ACHIEVING TRUE COOPERATIVE FEDERALISM IN INDIA

Cooperative federalism in India, which relies on collaboration between the Union, States, and local governments, faces significant obstacles that hinder its effectiveness. Despite constitutional mechanisms designed to foster unity and shared governance, structural, political, and administrative challenges persist, undermining the balance between national cohesion and regional autonomy. They are as follows;

(i) Centralized authority: The Constitution grants the Union significant authority, with control over major subjects and the ability to intervene in state matters, often leading to disputes and undermining state independence. Provisions like Article 249²⁴ (Parliament legislating on State List matters in national interest) and the Centre's executive directives (Articles 256, 257)²⁵ reinforce centralisation.

(ii) Political conflicts: When different political parties govern the Centre and states, disagreements arise, stalling joint decision-making and weakening trust in cooperative efforts.

(iii) Reliance on Central Funds: States often depend on the Central govt. for funds, limiting their freedom to plan and carry out their own projects, which weakens their role in teamwork.

(iv) Misuse of emergency powers: The Centre's authority to impose emergency measures, such as dismissing state governments under article 356 of constitution of India, has been sometimes misused, eroding state autonomy and trust in federal cooperation.

(v) Ineffective institutional Mechanism: Key bodies like the Inter-State Council and Zonal Councils suffer from infrequent meetings, diminishing their role in facilitating dialogue and coordination between the Centre and states.

(vi) Weak dispute resolution mechanism: While mechanisms exist for specific disputes, such as river water sharing under Article 262, but there is no comprehensive system to address

²⁴ The constitution of India

²⁵ *Id.*

broader Centre-state or inter-state conflicts, slowing down cooperation.

7. CONCLUSION AND SUGGESTIONS

India's federal system, shaped by its rich mix of cultures, economies, and politics, depends on the balance of cooperative and competitive federalism. These two approaches cooperation-uniting governments and competition- pushing states to improve, form the heart of how India governs its diverse regions. This paper has shown how cooperative federalism, supported by the various Constitutional provisions and institutions, helps the Union and States work together. At the same time, competitive federalism, driven by programs like NITI Aayog's rankings, encourages states to innovate and grow. Yet, issues like the Centre's strong control, political disagreements, and financial dependence create roadblocks. As India aims for progress by 2047, how can we strengthen this system to ensure fair growth? What steps can make teamwork between governments truly effective?

Cooperation and competition together hold great promise for solving India's governance challenges. Cooperation ensures national goals, like managing crises or tax reforms, are tackled as a team, while competition inspires states to try new ideas that raise living standards. The Goods and Services Tax, a major reform, shows this balance, uniting states under one tax system while rewarding better performance. However, challenges like the Centre's dominance, inactive coordination bodies, and uneven regional growth call for a fairer system. The COVID-19 crisis tested this balance, revealing both teamwork and gaps, and highlighting the need for clearer laws and better planning.

To improve India's federal system, this paper suggest few practical steps. First, make bodies like the Inter-State Council more active with regular meetings to encourage open talks and solve disputes. Second, give states more control over their funds to plan projects that fit local needs, building stronger partnerships. Third, create policies that respect each state's unique needs instead of one-size-fits-all rules, making cooperation fairer. Fourth, encourage states to work together through regional councils, sharing ideas and resources. Finally, use technology, like online tools, to make governance open and accountable, supporting both teamwork and competition.

As law students and future leaders, we must ask: Can India's federal system adapt to a fast-changing world? By combining the teamwork of cooperative federalism with the drive of

competitive federalism, India can create a governance model that includes everyone and sparks innovation. The way forward is through trust, fair resource sharing, and laws that empower all governments. With these efforts, India's federal system can turn challenges into opportunities, creating a united, thriving, and strong nation for all its people.