

Asymmetric Federalism: Revisiting Centre–State Relations in India

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Abstract:

India's federal design has never been uniform. From the special constitutional provisions for Jammu and Kashmir and the north-eastern states to regional safeguards such as those for Kalyana-Karnataka, and from "special category" status in fiscal transfers to the distinct governance model of Delhi, asymmetry has served as a deliberate instrument of nation-building rather than an accident of political bargaining. This paper revisits Centre–State relations in India through the lens of asymmetric federalism and asks how far differentiated arrangements still accommodate diversity, and how far recent centralising trends erode them. Drawing on constitutional texts, Supreme Court jurisprudence, the reports of the Sarkaria and Punchhi Commissions, and Finance Commission data, it examines three dimensions of asymmetry: constitutional-territorial, political-administrative and fiscal. The paper argues that India is drifting from negotiated, accommodative asymmetry towards hierarchical asymmetry determined by the Union, a shift visible in the 2019 reorganisation of Jammu and Kashmir, the contest over Delhi's governance, the goods and services tax regime and the north–south debate on devolution. Comparison with Canada, Spain, Belgium and Malaysia suggests that durable asymmetry rests on consent, institutional guarantees and predictable fiscal rules. The paper closes with reform proposals for strengthening intergovernmental institutions and safeguarding the federal balance.

Keywords: Asymmetric federalism; Centre–State relations; Article 370; Article 371; fiscal federalism; Finance Commission; cooperative federalism; India

1. Introduction

When the Constituent Assembly adopted the description of India as a "Union of States," B. R. Ambedkar explained that the Drafting Committee had chosen the phrase deliberately: the Indian federation was not the product of an agreement among states, and no state possessed the right to secede from it (Constituent Assembly of India, 1989). The formulation captured what has since become the central paradox of Indian federalism. The Constitution distributes legislative, executive, and financial powers between two orders of government, yet it equips the Union with overriding powers that led K. C. Wheare (1963) to describe the system as quasi-federal. Scholars have debated ever since whether India is a federation with unitary features or a unitary state with federal features (Austin, 1966; Bombwall, 1967).

That debate often overlooks a second and equally important characteristic of the Indian model: The Constitution does not treat all constituent units alike. Nagaland can shield its customary law and land relations from parliamentary legislation (Article 371A). The tribal districts of four north-eastern states are governed through autonomous councils under the Sixth Schedule. The Governor of Karnataka carries a special responsibility for the development of the Kalyana-Karnataka region, formerly known as Hyderabad-Karnataka (Article 371J). Delhi is governed under a bespoke constitutional scheme, and until August 2019 Jammu and Kashmir held a status unlike that of any other state. Fiscal federalism adds further layers of

differentiation, from the “special category” states that received concessional central assistance to formula-based transfers that favour some regions over others. India’s federation is, in short, asymmetric by design. Asymmetry has long been read as a strength of the Indian constitutional settlement, a device through which a diverse and often fractious polity was held together (Stepan et al., 2011). Yet the past decade has raised fresh questions. The reorganisation of Jammu and Kashmir into two Union Territories in 2019, the tussle between the elected government of Delhi and the Union over control of services, the introduction of the goods and services tax (GST), and a renewed north–south argument about the population criterion in Finance Commission awards have reopened the question of what kind of federation India is becoming. The Supreme Court has itself described asymmetric federalism as a feature of the constitutional design in the Delhi services case and the Article 370 reference, both decided in 2023, bringing the concept into the mainstream of constitutional adjudication.

This paper has three objectives. First, it clarifies the concept of asymmetric federalism and situates India within comparative debates. Second, it maps the constitutional, political and fiscal dimensions of asymmetry in Centre–State relations. Third, it evaluates whether recent developments continue India’s tradition of accommodative asymmetry or mark a departure towards a more hierarchical form of differentiation, and it suggests reforms. The analysis rests on doctrinal study of constitutional provisions and judgments, close reading of the reports of the Sarkaria Commission (1988), the National Commission to Review the Working of the Constitution (2002) and the Punchhi Commission (2010), and secondary analysis of Finance Commission data. Developments up to December 2024 are covered.

Section 2 sets out the framework, and Sections 3 to 5 examine the constitutional, political-administrative and fiscal dimensions of asymmetry. Sections 6 to 8 add comparative, institutional and regional perspectives, and Sections 9 and 10 discuss reforms and conclude.

2. Conceptual Framework: Symmetry, Asymmetry and the Indian Federation

Tarleton (1965) offered the classic formulation. Symmetry, he argued, is the degree to which component units share the conditions and characteristics of the federal system as a whole, whether in political culture, economic structure or social composition, while asymmetry marks the degree to which they differ. A perfectly symmetrical federation is a theoretical limit; every actual federation combines the two, and the important question is how differences are recognised in constitutional and fiscal rules. Watts (2008) distinguishes *de jure* asymmetry, written into constitutional or statutory texts, from *de facto* asymmetry, which arises from differences in size, wealth, population and political power and which even formally symmetric federations cannot avoid.

Stepan (1999) links the prevalence of asymmetry to the way a federation comes into being. In “coming-together” federations such as the United States, Switzerland and Australia, formerly independent units pool sovereignty and generally insist on equal status. In “holding-together” federations such as India, Belgium and Spain, an existing state devolves power to keep a plural society within a single polity, and differentiated arrangements are a natural tool for doing so. Building on this, Stepan et al. (2011) characterise India as a “state-nation,” a democracy that accommodates multiple and complementary cultural identities rather than imposing a single national one, and they treat asymmetric constitutional provisions as one of the devices that made this possible.

Tillin (2007, 2019) shows that Indian asymmetry operates at several levels: constitutional provisions crafted to accommodate ethnic, cultural and regional distinctiveness, notably in the North-East and Jammu and Kashmir, and less formal differences in the way the Union deals with states of differing political strength and fiscal capacity.

Following this literature, the paper uses a three-part framework. *Constitutional-territorial asymmetry* refers to special provisions that confer distinct powers, safeguards or institutions on particular units. *Political-*

administrative asymmetry concerns differences in the status of units (states, Union Territories, Delhi), in control over the executive, police and services, and in the discretion available to Union appointees such as Governors and Lieutenant Governors. *Fiscal asymmetry* covers differential treatment in tax devolution, grants, borrowing and centrally sponsored schemes.

The paper also draws an analytical distinction between two logics of differentiation. *Accommodative asymmetry* is negotiated with, or consented to by, the affected unit and aims to protect identity, autonomy or developmental needs. *Hierarchical asymmetry* is determined by the Union and operates to reduce or reshape the powers of particular units. This distinction is an interpretive device developed here rather than a doctrinal category; its usefulness is tested against the evidence in the following sections.

3. Constitutional-Territorial Asymmetry: The Architecture of Special Provisions

3.1 The centralising frame

Any account of asymmetry must begin with the general federal frame within which it operates. The Seventh Schedule divides subjects into Union, State and Concurrent Lists, with residuary powers vested in Parliament under Article 248. Parliament may legislate on State List subjects if the Rajya Sabha declares by a two-thirds majority that it is necessary in the national interest (Article 249), during a Proclamation of Emergency (Article 250), and to implement international agreements (Article 253). Article 3 allows Parliament to form new states and alter the areas, boundaries and names of existing ones by ordinary legislation, requiring only that the President refer the bill to the affected state legislature for its views, which are not binding. Governors are appointed by the President (Article 155), the All-India Services are shared across both orders of government (Article 312), and President's Rule may be imposed on a state under Article 356 where constitutional machinery is deemed to have failed (Constitution of India, 1950).

The Supreme Court observed as early as 1963 that the Constitution does not create a strict federation and that the Union holds a preponderant position (*State of West Bengal v. Union of India*, 1963). Three decades later, in *S. R. Bommai v. Union of India* (1994), the Court held that federalism is part of the basic structure of the Constitution and made the exercise of Article 356 subject to judicial review.

3.2 Special provisions for particular states and regions

Against this centralising frame, the Constitution builds a series of exceptions. Table 1 summarises the principal provisions that confer special status or safeguards on particular states and regions.

Table 1
Principal Constitutional Provisions of Asymmetry in India

Provision	Unit(s)	Year	Principal feature
Art. 370	Jammu and Kashmir	1950	Limited Parliament's legislative power and required state concurrence for extending Union laws; declared inoperative in 2019
Art. 371	Maharashtra, Gujarat	1960	Separate development boards for Vidarbha, Marathwada, Saurashtra and Kutch
Art. 371A	Nagaland	1962	Parliamentary laws on Naga customary law, religious and social practices and land do not apply unless the Assembly so resolves
Art. 371B	Assam	1969	Committee of legislators from the tribal areas
Art. 371C	Manipur	1971	Committee of hill-area legislators; Governor's special responsibility

Arts. 371D, 371E	Andhra Pradesh (and Telangana)	1974	Equitable public employment and education opportunities across regions; provision for a central university
Art. 371F	Sikkim	1975	Continuation of existing laws; Governor's responsibility for peace and social and economic advancement
Art. 371G	Mizoram	1986	Protection of Mizo customary law and land ownership
Art. 371H	Arunachal Pradesh	1986	Governor's special responsibility for law and order
Art. 371I	Goa	1987	Legislative Assembly of not fewer than 30 members
Art. 371J	Karnataka	2012	Development board for Kalyana-Karnataka; reservation in education and public employment
Sixth Schedule (Arts. 244(2), 275(1))	Assam, Meghalaya, Tripura, Mizoram	1950	Autonomous district and regional councils with legislative, executive and judicial functions
Art. 239AA	NCT of Delhi	1991	Legislative Assembly and Council of Ministers; police, public order and land reserved to the Union

Note. Compiled from the Constitution of India, 1950 (as amended). Article 371D was extended to Telangana by the Andhra Pradesh Reorganisation Act, 2014.

Three features of these provisions deserve emphasis. First, they were largely the outcome of negotiation. The Sixth Schedule grew out of the Constituent Assembly's Bordoloi Sub-Committee on the protection of tribal peoples in the hill districts of Assam. The agreement with the Naga People's Convention in 1960 preceded Article 371A, the Mizo Accord of 1986 led to Article 371G, and the terms of Sikkim's merger underpinned Article 371F.

Second, the provisions differ in kind. Some protect customary law and land (Articles 371A and 371G), some secure regionally balanced development and opportunity (Articles 371, 371D and 371J), some create consultative committees of legislators (Articles 371B and 371C), and some strengthen the discretionary role of the Governor (Article 371H). Third, they have been added repeatedly between 1960 and 2012, which suggests that constitutional asymmetry is a continuing practice of Indian federalism and not a one-time concession of the founding years.

The provisions also share a vulnerability. Amendments to Part XXI, which contains Articles 370 to 392, do not require ratification by state legislatures under Article 368(2), and the Sixth Schedule can itself be amended by a simple parliamentary majority under its paragraph 21. Special status is therefore protected by political convention and by the Union's restraint more than by procedural entrenchment, a point that becomes important when we turn to Jammu and Kashmir.

4. Political-Administrative Asymmetry: Jammu and Kashmir, Delhi and Gubernatorial Discretion

4.1 Jammu and Kashmir: from Article 370 to Union Territory

Article 370 was the most far-reaching of India's asymmetric provisions. Rooted in the Instrument of Accession of 1947, which transferred to the Union only defence, external affairs and communications, it limited Parliament's legislative power over Jammu and Kashmir and required the concurrence of the state government for extending other Union laws (Noorani, 2011). Over the decades, however, a series of Presidential Orders, beginning with the Constitution (Application to Jammu and Kashmir) Order of 1954, extended most of the Constitution to the state, and the internal autonomy that Article 370 was meant to protect was steadily hollowed out (Bose, 2003; Noorani, 2011). This gradual, executive-driven erosion shows that asymmetry lacking robust procedural protection can be dismantled without a formal constitutional amendment.

On 5 August 2019 the Union used the same route in its most consequential form. A Presidential Order under Article 370(1) amended Article 367 so that references to the state's Constituent Assembly were read as references to its Legislative Assembly. With the state under President's Rule, the powers of that Assembly were exercised by Parliament, whose resolution led to a second Order declaring Article 370 inoperative. The Jammu and Kashmir Reorganisation Act, 2019 then converted the state into two Union Territories: Jammu and Kashmir, with a legislature, and Ladakh, without one.

In December 2023 a five-judge Constitution Bench upheld the abrogation. The Court held that Jammu and Kashmir did not retain an element of sovereignty after accession, that Article 370 was a temporary provision, and that the President could declare it inoperative. It treated asymmetric federalism as a feature of the constitutional design that does not imply sovereignty (*In re Article 370 of the Constitution*, 2023). It left open the validity of converting a state into a Union Territory in view of the Union's assurance that statehood would be restored, upheld the creation of Ladakh as a Union Territory, and directed that statehood be restored at the earliest and that elections be held by 30 September 2024.

The holding settled that the special status of Jammu and Kashmir was constitutionally revocable through the procedure adopted. It also confirmed that an asymmetry, once granted, may be withdrawn through Union-controlled processes in which the affected unit's own legislature had no voice, because the state was under President's Rule at the time. Assembly elections held in three phases in September and October 2024 returned a National Conference–Congress majority, and Omar Abdullah was sworn in on 16 October 2024 as the first elected Chief Minister of the Union Territory (Press Trust of India, 2024). Statehood, however, remained pending at the close of the year. In terms of the analytical framework, Jammu and Kashmir has moved from accommodative to hierarchical asymmetry: its distinct position remains, but it now flows from Union-determined status and not from a negotiated constitutional guarantee.

4.2 Delhi and the limits of elected autonomy

The National Capital Territory of Delhi illustrates a different kind of asymmetry, in which an elected government exists but its powers are contested. Article 239AA, inserted by the Sixty-ninth Amendment in 1991, created a Legislative Assembly and Council of Ministers for Delhi while reserving police, public order and land to the Union, and it gave the Lieutenant Governor a role that became the source of prolonged litigation. In 2018 a Constitution Bench held that the Lieutenant Governor must act on the aid and advice of the Council of Ministers in matters within the Assembly's competence (*State (NCT of Delhi) v. Union of India*, 2018), but control over services remained unresolved.

In May 2023 another Constitution Bench held that the elected government holds legislative and executive power over services other than those relating to public order, police and land, and recognised that Delhi is governed within an asymmetric federal model in which the elected government's authority must be respected (*Government of NCT of Delhi v. Union of India*, 2023). Within a fortnight the Union promulgated an ordinance

restoring control over services to its own nominees, and Parliament enacted the Government of National Capital Territory of Delhi (Amendment) Act, 2023, which created a National Capital Civil Service Authority in which the Lieutenant Governor decides where members differ. A challenge to the Act was pending before the Supreme Court at the time of writing.

The Delhi episode reveals a second vulnerability of asymmetric arrangements. Where the content of a unit's autonomy is left to parliamentary law, judicial recognition of that autonomy can be neutralised by legislation that respects the letter of the Constitution while reversing the effect of the judgment.

4.3 Governors and the politics of discretion

Political-administrative asymmetry also arises from the way Union appointees exercise discretion. The Sarkaria Commission (1988) and the Punchhi Commission (2010) both documented misuse of Article 356 and of gubernatorial discretion. They recommended that Governors be persons of eminence from outside state politics, that discretion in choosing a Chief Minister follow clear norms, and that action on bills be time-bound. Article 356 has been invoked more than a hundred times since 1950, and although *Bommai* reduced arbitrary dismissals, disputes over gubernatorial assent to bills have multiplied in recent years, particularly in Punjab, Kerala and Tamil Nadu. In November 2023 the Supreme Court held that a Governor cannot indefinitely withhold action on bills passed by a legislature (*State of Punjab v. Principal Secretary to the Governor of Punjab*, 2023). Where such conflicts are concentrated in states governed by parties opposed to the Union, they produce a de facto asymmetry of treatment that no constitutional text authorises.

5. Fiscal Asymmetry: Transfers, Formulas and Borrowing

5.1 Vertical imbalance and the devolution share

Fiscal federalism in India rests on a structural mismatch. The Constitution assigns the most buoyant revenue sources, including corporate and personal income tax and customs, to the Union, while states carry primary responsibility for public health, education, agriculture, policing and much local infrastructure. The gap is bridged by transfers: a share of central taxes determined every five years by a Finance Commission under Article 280, grants-in-aid under Article 275, and discretionary transfers through centrally sponsored schemes (Rao & Singh, 2005). As Table 2 shows, the states' share of the divisible pool has risen steadily, culminating in the increase from 32 to 42 per cent recommended by the Fourteenth Finance Commission (2014), which was widely read as a move towards greater fiscal autonomy for states.

Table 2

Share of States in the Divisible Pool of Central Taxes, Tenth to Fifteenth Finance Commissions

Finance Commission	Award period	States' share (%)
Tenth	1995–2000	29.0
Eleventh	2000–05	29.5
Twelfth	2005–10	30.5
Thirteenth	2010–15	32.0
Fourteenth	2015–20	42.0
Fifteenth	2020–26	41.0

Note. Compiled from Finance Commission reports. The Fifteenth Commission recommended 42% for 2020–21 and 41% thereafter, the difference reflecting the creation of the Union Territories of Jammu and Kashmir and Ladakh.

The headline figure, however, can overstate what states actually receive. Revenue from cesses and surcharges falls outside the divisible pool and need not be shared, and its growing weight in the Union's gross tax revenue

has drawn objections from several states (Fifteenth Finance Commission, 2021). Fiscal asymmetry here is de facto: a formally uniform rule produces different effects for states with different revenue structures.

5.2 Special category states

Fiscal asymmetry first took an explicit form in 1969, when the National Development Council adopted the Gadgil formula and identified special category states for preferential central assistance. The criteria included hilly and difficult terrain, low population density or a sizeable tribal population, strategic location along international borders, economic and infrastructural backwardness, and non-viable state finances. Eleven states came to be classified in this way, including the north-eastern states, Jammu and Kashmir, Himachal Pradesh and, from 2001, Uttarakhand, and centrally sponsored schemes were funded for them on a 90:10 basis (Rao & Singh, 2005).

The Fourteenth Finance Commission (2014) proposed to do away with the distinction in its own framework, compensating through higher general devolution, and the Planning Commission, the channel for special central plan assistance, was replaced by the NITI Aayog in 2015. The Union has since declined new claims for the status, including that of Andhra Pradesh, although the 90:10 funding pattern has been retained for the North-Eastern and Himalayan states in centrally sponsored schemes. This is a case of accommodative asymmetry that was rule-based, negotiated over decades and then quietly closed to new entrants.

5.3 Horizontal distribution and the north–south debate

The distribution among states is governed by a formula whose weights are revised at each award. Table 3 compares the criteria of the Fourteenth and Fifteenth Finance Commissions.

Table 3

Criteria and Weights for Horizontal Devolution: Fourteenth and Fifteenth Finance Commissions

Criterion	Fourteenth FC (%)	Fifteenth FC (%)
Income distance	50.0	45.0
Population (1971)	17.5	—
Population (2011)	10.0	15.0
Area	15.0	15.0
Forest cover/forest and ecology	7.5	10.0
Demographic performance	—	12.5
Tax and fiscal effort	—	2.5
Total	100.0	100.0

Note. Compiled from Fourteenth Finance Commission (2014) and Fifteenth Finance Commission (2021). Two changes are politically significant. The shift from a 1971 to a 2011 population base, required by the Fifteenth Commission's terms of reference, favours states with faster population growth, and the new demographic performance criterion was introduced partly to reward states that had stabilised their populations (Fifteenth Finance Commission, 2021). Table 4 shows the net effect on selected states.

Table 4

Share of Selected States in the Divisible Pool: Fourteenth and Fifteenth Finance Commissions

State	Fourteenth FC (%)	Fifteenth FC (%)	Change (pp)
Uttar Pradesh	18.0	17.9	0.0
Bihar	9.7	10.1	+0.4
Madhya Pradesh	7.5	7.9	+0.3

Tamil Nadu	4.0	4.1	+0.1
Andhra Pradesh	4.3	4.1	-0.2
Telangana	2.4	2.1	-0.3
Karnataka	4.7	3.6	-1.1
Kerala	2.5	1.9	-0.6

Note. Shares rounded to one decimal place; changes computed from unrounded award figures in the Fourteenth and Fifteenth Finance Commission reports. pp = percentage points. Fifteenth FC figures are for 2021–26.

The pattern is unmistakable. The largest gains accrue to populous, lower-income states of the north and centre, while several southern states record declines, Karnataka and Kerala most sharply. Southern political leaders argued that states which had invested in health, education and population stabilisation were being penalised, and the argument has hardened into a durable north–south divide in federal debate. The Sixteenth Finance Commission, constituted in December 2023 to make recommendations for the period beginning April 2026 and due to report by October 2025 (Ministry of Finance, 2023), will inherit this question. The horizontal formula is a legitimate instrument of equalisation, but its acceptability depends on states seeing it as a transparent and stable rule and not as a periodic redistribution of political advantage.

5.4 The GST and the pooling of fiscal sovereignty

The One Hundred and First Amendment of 2016 is the most significant change to fiscal federalism since 1950. By subsuming state taxes on sales, entry and entertainment, among others, into a shared GST, it created a system in which the Union and the states legislate on the same base and rates are recommended by the GST Council under Article 279A. The Union holds one-third of the weighted votes and the states collectively two-thirds, but decisions require a three-fourths majority of the weighted votes, which gives the Union an effective veto and means that no decision can be taken against its wishes (The Constitution (One Hundred and First Amendment) Act, 2016).

In 2022 the Supreme Court held that the Council's recommendations are not binding on Parliament or state legislatures and have only persuasive value (*Union of India v. Mohit Minerals Pvt. Ltd.*, 2022). Meanwhile, the statutory guarantee of compensation for revenue loss, provided for five years under the Goods and Services Tax (Compensation to States) Act, 2017, ended in June 2022, leaving states with reduced tax autonomy and without a statutory backstop. The GST is symmetric in form and retains only limited differentiation, such as lower registration thresholds for special category states, but its effects are unevenly distributed across producing and consuming states.

5.5 Borrowing controls and the Kerala reference

Article 293(3) requires a state to obtain the Union's consent for borrowing if any part of a loan previously made by the Union remains outstanding. The Union has used this provision, together with fiscal responsibility norms, to fix net borrowing ceilings for states. In December 2023 Kerala filed an original suit under Article 131 arguing that regulation of state finances lies within the state's own domain. On 1 April 2024 the Supreme Court declined interim relief but referred the questions to a five-judge Constitution Bench, noting that Article 293 had never been authoritatively interpreted (*State of Kerala v. Union of India*, 2024; SCC Online, 2024). The reference is a reminder that the fiscal boundary between the Union and the states remains constitutionally unsettled.

Fiscal asymmetry is therefore double-edged. Formula-based and transparent differentiation, such as Finance Commission equalisation and the 90:10 pattern for hill and north-eastern states, is accommodative. Discretionary differentiation, such as conditional transfers, borrowing ceilings and the growing use of cesses,

tends towards the hierarchical, because outcomes depend on the Union's discretion and not on a rule that states can anticipate.

6. Asymmetry in Comparative Perspective

India is not unusual in accommodating difference through unequal constitutional arrangements. Table 5 compares four federal or quasi-federal systems that have used asymmetry to hold plural societies together.

Table 5
Asymmetric Arrangements in Selected Federal and Quasi-Federal Systems

Country	Asymmetric arrangement	Basis	Recurring pressure point
Canada	Quebec's civil-law tradition; Canada–Quebec Accord on immigration (1991); Quebec did not sign the 1982 patriation	Constitution Act, 1867; intergovernmental accords	Failure of the Meech Lake (1990) and Charlottetown (1992) accords; referendums of 1980 and 1995
Spain	Autonomous communities with differing competences; foral tax regimes in the Basque Country and Navarre	Constitution of 1978; statutes of autonomy	Catalonia's 2006 Statute partly struck down (2010); 2017 referendum
Belgium	Three regions and three language-based communities with distinct competences	Constitution as revised through successive state reforms since 1970	Negotiation over fiscal transfers between regions
Malaysia	Sabah and Sarawak retain control over matters such as immigration	Malaysia Agreement, 1963	Grievances over perceived erosion of the 1963 terms
India	Arts. 370 (until 2019), 371 to 371J; Sixth Schedule; Delhi	Constitution of India	Revocation or dilution by Union action; centralising fiscal instruments

Note. Compiled from Watts (2008) and Stepan et al. (2011).

Three lessons emerge from these cases. First, durable asymmetry is usually entrenched against unilateral alteration. Canada's amending formula, adopted in 1982, requires provincial consent for changes to provincial powers, while Spanish statutes of autonomy are adopted by both the national parliament and the community concerned (Watts, 2008). India's special provisions, by contrast, can be amended by Parliament alone, as noted in Section 3.

Second, asymmetry works best when its fiscal component is rule-based. Canada's Constitution Act, 1982 commits governments to the principle of equalisation, and the Basque and Navarrese arrangements rest on codified agreements, even though they generate their own controversies about solidarity (Watts, 2008). Third, the gravest tensions arise less from asymmetry than from the refusal to recognise it. The failure of the Meech Lake and Charlottetown accords to secure Quebec's constitutional recognition, and the Spanish Constitutional Court's 2010 ruling curtailing Catalonia's 2006 Statute, fed the very separatist pressures that recognition was meant to prevent (Stepan et al., 2011). The lesson for India is that the political costs of withdrawing or diluting

recognised distinctiveness can be substantial and durable, and that comparable federations generally negotiate such changes.

7. Intergovernmental Institutions and Judicial Review

A federation with extensive asymmetry needs strong forums in which differences can be negotiated. India's institutions are uneven. Article 263 provides for an Inter-State Council, which was established only in 1990 following the Sarkaria Commission's recommendation and has met infrequently. The Punchhi Commission (2010) urged that it be made a standing body meeting regularly, with a permanent secretariat. With the abolition of the Planning Commission, the Governing Council of the NITI Aayog, which includes all Chief Ministers, became the principal consultative platform, but it lacks statutory authority and the financial leverage that the Planning Commission once exercised. The GST Council is the only body with real decision-making power, and it is often cited as the model of cooperative federalism, although, as Section 5.4 shows, the Union's weight within it is decisive.

Political conditions also matter. Sáez (2002) argued that economic liberalisation and coalition governments after 1989 shifted bargaining power towards the states. The 2014 and 2019 general elections, in which a single party secured a majority in the Lok Sabha, reversed this dynamic. In the 2024 general election no party won an outright majority for the first time since 2014, and the governing alliance depends on regional partners (Election Commission of India, 2024), which may recalibrate the bargaining power of states.

The judiciary has been an ambivalent guardian. It has affirmed federalism as part of the basic structure (*S. R. Bommai v. Union of India*, 1994) and, in the Delhi and Punjab cases, has pushed back against Union or gubernatorial overreach. Yet its recognition of asymmetric federalism cuts both ways. It legitimises differentiated arrangements and clarifies that they do not derogate from national unity, but it also treats them as constitutional features that Parliament may modify through prescribed processes, as the Article 370 judgment demonstrates. Courts alone therefore cannot secure the federal balance.

8. A Regional Illustration: Andhra Pradesh and Telangana

The experience of the Telugu states illustrates all three dimensions of asymmetry. Constitutionally, both states carry Article 371D, which mandates equitable opportunities in public employment and education for people of different parts of the state and empowers the President to order local cadre arrangements. The provision, which emerged from the Six-Point Formula of 1973 after the Jai Andhra and separate Telangana agitations and was inserted by the Thirty-second Amendment in 1974, was retained for both states after the Andhra Pradesh Reorganisation Act, 2014. Politically, Hyderabad served as a common capital for up to ten years, until June 2024, with the Governor bearing special responsibility for law and order and for the security of life, liberty and property of all residents of the capital area under Section 8 of that Act, a bespoke asymmetric arrangement unique in Indian federal history.

Fiscally, Andhra Pradesh's demand for special category status, linked to assurances given during the parliamentary debate on bifurcation in 2014, has remained a persistent grievance. The Union's reply has been that the Fourteenth Finance Commission removed the classification, and it has offered special assistance and financed the Polavaram project, which the 2014 Act declared a national project. Table 4 shows that both states lost some share in the Fifteenth Commission's award, while Telangana's strong own-tax capacity places it among the states that contribute more to the divisible pool than they receive from it. The Telugu states thus have a stake both in the special-category debate and in the north-south argument.

9. Discussion: Towards a Renewed Federal Compact

The evidence supports a qualified conclusion. India's federal system retains a rich inheritance of accommodative asymmetry, and the Supreme Court has affirmed that such asymmetry is compatible with

national unity. In the most contested domains, however, political status and fiscal control, the trend since 2019 has been towards differentiation determined by the Union rather than negotiated with the units. Table 6 summarises the assessment.

Table 6
Accommodative and Hierarchical Tendencies in India's Asymmetric Federalism

Dimension	Accommodative features	Hierarchical tendencies
Constitutional-territorial	Articles 371 to 371J (added up to 2012); Sixth Schedule	Article 370 revoked (2019); Part XXI provisions amendable without state ratification
Political-administrative	Elected assemblies in Delhi and Jammu and Kashmir; <i>Bommai</i> limits on Article 356	Union control over services in Delhi (2023 Act); Union Territory status for Jammu and Kashmir and Ladakh; disputes over gubernatorial assent
Fiscal	Finance Commission equalisation; 41–42% devolution; 90:10 pattern for North-Eastern and Himalayan states	Cesses and surcharges outside the divisible pool; borrowing ceilings; end of GST compensation (2022)

Note. Author's synthesis of the evidence presented in Sections 3 to 5.

Five reforms would help restore the balance between the two logics of asymmetry.

1. **Entrench consultation.** A constitutional amendment or firmly established convention requiring consultation with the legislature of a unit, and its consent where special status is at stake, before that status or the unit's territorial identity is altered would convert accommodative asymmetry from political generosity into a protected guarantee.
2. **Institutionalise intergovernmental deliberation.** The Inter-State Council should become a permanent forum with a secretariat and a fixed calendar, as the Punchhi Commission (2010) proposed, and should be used to resolve disputes before they reach the Supreme Court under Article 131. The dispute-resolution mechanism envisaged in Article 279A for the GST Council should be operationalised.
3. **Make fiscal asymmetry rule-based.** Cesses and surcharges should be subject to a ceiling or brought partly into the divisible pool, and borrowing ceilings should follow a published and stable methodology. A transparent, needs-based window for hill, border, tribal and conflict-affected regions could replace the closed special category classification. The Sixteenth Finance Commission should publish the state-level impact of alternative population and equity weights before finalising its formula.
4. **Discipline the discretion of Union appointees.** The recommendations of the Sarkaria and Punchhi Commissions on the selection, tenure and removal of Governors and on time-bound action on bills should be adopted through conventions, or through amendment where necessary.
5. **Complete unfinished constitutional business.** A time-bound roadmap for the restoration of statehood to Jammu and Kashmir, a settled framework for Delhi that respects the 2023 judgment, and a structured dialogue on the safeguards demanded in Ladakh would signal that the Union treats recognised asymmetry as a constitutional commitment.

10. Conclusion

This paper has argued that asymmetry is not an exception to Indian federalism but one of its organising principles. The constitutional-territorial provisions of Articles 371 to 371J and the Sixth Schedule, the

differentiated political status of Delhi and the Union Territories, and the fiscal instruments of Finance Commission equalisation and special category assistance together demonstrate that India has pursued unity through accommodation of difference and not through uniformity.

The analysis also shows that the character of asymmetry has been changing. Where differentiation was once negotiated and entrenched in the text, as in Nagaland, Mizoram and Sikkim, recent episodes such as the reorganisation of Jammu and Kashmir, the Delhi services legislation, the design of the GST Council and the use of borrowing ceilings suggest a drift towards hierarchical differentiation shaped by Union discretion. The Supreme Court's endorsement of asymmetric federalism, welcome as a matter of principle, has not by itself checked this drift, because the Court has treated special arrangements as revocable within the constitutional procedure.

Comparative experience suggests that asymmetry endures when it rests on consent, when it is protected against unilateral change, and when its fiscal terms are predictable. India can draw on its own best traditions, from the Naga and Mizo settlements to the Finance Commission process, to renew these principles. The reforms outlined here do not require a wholesale redesign of the Constitution; they require a renewed commitment to negotiation and to the institutions in which it takes place. The composition of the 2024 Lok Sabha, the forthcoming Sixteenth Finance Commission award and the unresolved constitutional status of Jammu and Kashmir, Ladakh and Delhi offer immediate opportunities to test that commitment. Future research could trace the developmental outcomes of the Article 371 provisions and the distributive effects of GST and cess policy across states.

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