

# Federalism and Foreign Policy- Emerging Challenges and Growing Opportunities

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## Abstract

The research article 'Federalism and foreign policy–Emerging Challenges and growing opportunities' has discussed the changing role of states in foreign policy making. Basically three periods have been included in discussion- after independence, during coalition era and since 2014 onwards. The role of states has increased gradually. It has created different type of challenges before central government and a lot of new opportunities for states. It seems that paradiplomacy or sub- national diplomacy will gain importance in near future while securing borders and trade promotion.

**Keywords:** Foreign Policy, Federalism, Coalition, Economic Liberalization, Paradiplomacy, Regional Interest, Full majority government, Institutional Mechanism, Border management, Provincial autonomy.

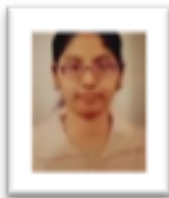
## Introduction

There are many forms of government exist in the world. Federalism is one of them. It is considered to be a good option where differences and diversity found in the great extent. Indian federalism is not like American federalism but it is unique in its nature. It changed itself gradually. Foreign policy making process is one of the area where we can see this change apparently. Foreign policies are the strategies governments use to guide their actions in the international arena. Although specific policies are important but more important is foreign policy process- how policies are arrived at and implemented.<sup>1</sup>

In India foreign policy is a subject that is the exclusive domain of the central government according to the federal arrangement of indian constitution. The primary institution for framing and implementing foreign policy are the external affairs minister, the Bureaucracy attached to his ministry (ministry of external affairs) and also the Prime Minister and his office.<sup>2</sup> It is the central government that can declare war, conduct relations with foreign nations and international organization, appoints and receives diplomatic and consular official's concludes, ratifies and implement treaties and acquire or cedes territory. This practice is unlike the once in leading democracies such as the United States and Australia, where legislative approval of international agreements, which their government arrived at, is mandatory.

Traditionally it is seen that Indian states have not played any significant role in foreign policy making process. But now it seems changing. Due to economic liberalization and emergence of coalition governments states have started engaging proactively on foreign policy issues. In 2014 the political atmosphere at central level changed completely when a full fledged majority government replaced a coalition form of government.<sup>3</sup> The new government under the Prime Ministership of Narendra Modi has realised the necessity of regional governments in foreign policy affairs and also started efforts in this direction.

Due to all this change at foreign policy level creating opportunities for states specially border states. With this, new challenges also emerging at country level regarding national security, economic backwardness etc. So now the time has come to do a deep analysis regarding all this.



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**Objectives of the Study**

1. To understand foreign policy process how policies are arrived at and implemented.
2. To examine the impact of coalition government in the working of Indian federalism.
3. To highlight and overview the changing role of states in foreign policy making process.
4. To identify the vision of new government at the central level.
5. To provide relevant suggestions.

**Methodology**

To study the federalism and foreign policy i have used historical, descriptive and analytical approach. basically i have relied mainly secondary data that is articles, Journals, books related to this topic.

**Review of Literature**

1. Many research papers I have included in my research article that are accessed from different websites. I also used a book in writing my paper. Joshua S, Goldstein and Jon.c Pevehouse's book International relation (2008) helps a lot to understand the making of foreign policy. Goldstein/Pevehouse is the only text that equally covers Security, Economic issues, foreign policy, international conflict, international organization and Law etc. This book will help students to understand the discipline's concepts as well as what is happening in the world today.
2. Federalization of a predominantly parliamentary system in India is the text of a lecture delivered by Prof. M.P. Singh at the TISS, Hyderabad as the inaugural activity of the Centre for Policy and Governance at the TISS, Hyderabad, on 25<sup>th</sup> October, 2012. This lecture helps a lot to understand the federalization process in India, the decline of Congress dominance and History of Coalition government. He has also discussed explanatory factors in federalization and LPG shift in India's economic policy too.
3. Obja Borah Hazarika in his paper Evolving Dynamics of Federalism and Foreign Policy (2014) has attempted to examine the role of states in foreign policy making, the constitutional provisions on foreign policy making in India, the reasons responsible for the role of states or states involvement in foreign policy making.
4. Prakash Nanda in his article Federalisation of Indian Foreign Policy (2015) Analyses that how the emergence of coalition politics at centre made it difficult for central government to ignore provincial sentiments in foreign policy making. He shared his views about clashes between narrow local concerns of the states and broad global vision of the central government.
5. Happymon Jacob in his article putting the Periphery at the centre: Indian States' Role in Foreign Policy (2016) has described about two factors-economic liberalization and the emergence of coalition governments that have created favourable environment for states to engage in foreign policy making. The article is very valuable to understand PM Modi's foreign policy endeavors, Institutionalization necessity in order to broaden the role of states in foreign policy making, Promoting economic development and FDI with very little focus on strategic Security issues.
6. Harsh V. Pant and Falguni Tewari in their article Paradiplomacy and India: growing role of states in foreign policy (2016) have discussed about different factors that brought the importance of paradiplomacy in Indian foreign policy. The Paper also talks about decentralization of foreign policy, the term 'city diplomacy', different case studies regarding different states.
7. Tridivesh Singh Maini in his article Making Room for Indian States in Foreign Policy (2017) has explained about cooperative and competitive federalism, role of state governments in ties with neighbors. He has also suggested the ways to make states as key stakeholders in the country's foreign policy.
8. Nimmi Kurian in her article The Future is Federal: Why Indian Foreign Policy needs to leverage its Border states(2019) talks about India's neighbourhood policy's top down approach, firmly led by New Delhi. She emphasized that India's neighbourhood policy has the potential to produce a modest but valuable space for border states to become active

partners in framing and fashioning the terms of india's engagement with its neighbourhood.

**India's Foreign Policy After Independence- An Analysis**

After independence India had to face a new type of environment at world level. That was the time of Cold War where America and USSR two superpowers of the world, were trying to influence Asian, African countries foreign policy to be with them. At that time Jawahar Lal Nehru, was the first Prime Minister of India and also the architect of independent India's foreign policy. During Nehru era (1947-1964) states have new prominent role in foreign policy making.<sup>4</sup> Even Nehru's own cabinet colleagues did not have any important role in foreign policy making. The underlying reason behind it was basically Nehru's personality with the presence of 'Congress system'. The Indian political landscape for the first 20 years was dominated by the Congress party both at the centre and state level. Congress won the general elections of 1952, 1957 and 1962 and it return to power in almost all the states. From 1947 to 1960, the country experienced extreme political centralization.

Besides above mentioned factor in India's case, the constitution empowers the centre with greater powers compared to the powers of the constituent units. Some have described India as 'Quasi Federal' state because of the inadequate autonomy it affords to the constituent units. The constitution, in a variety of ways, empowers the centre over the states. With regard to conducting foreign affairs, article 246 in Schedule 7, list 1 (union list) of the Indian constitution defines foreign affairs as "all matters which bring the union into relation with any foreign country"<sup>5</sup>. Therefore the constitution puts the onus of conducting foreign policy indisputably on the centre. Thus until 1967 due to Congress party and given constitutional provisions regarding foreign policy it was unimaginable for state to go against or challenge the nehruvian foreign policy.

**Changing Politics In Changing Perspective- A Critical View Regarding Indian Foreign Policy During Coalition Era (1989-2014)-**

Although constitutional provisions regarding foreign policy remain unchanged since 1947, evolutionary changes in India's politics have had a positive impact for the constituent units to play a role in foreign policy.

The rise of coalitions in Indian politics and economic liberalization were two important factor which have created the condition for states to play a role in foreign policy. Actually the period until 1989, was basically an era of one party rule at the centre and the states have some exceptions. After 1989 economic reforms coincided with the emergence of coalition era in Indian politics. It created a new environment for states to pursue their own economic diplomacy.<sup>6</sup> India moved away from 'command and central economy' towards a federal 'market economy' where states were taking their economic decisions. Although it's a new experience for India but across the world specially in federal states like United States, Canada, Belgium quasi federal states like Spain, economic paradiplomacy related to trade and investment in particular has become an institutionalised practice. The credit for the origin of paradiplomacy goes to globalization. Federalism is also a key contributor to the growth of paradiplomacy. It provided opportunity to states to engage in international activities for promoting and protecting local and international interest and prerogatives.<sup>7</sup>

Having discovered the reasons behind federalisation of foreign policy, the another question has raised that why states need to be involved in India's foreign policy. There are several examples where states of the Indian union have influenced, affected, created, conditions and had an impact on the foreign policy.

The involvement of states in foreign policy can be proved important for improving India's ties with other countries as well as their economic performance. Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh, Karnataka have contributed about 70% of total export of India. These states have accessed global economic opportunities and have witnessed tremendous growth.<sup>8</sup>

Not only economic benefits like achieving investment deals, FDI flows, states have also opportunity to get involved in neighborhood policies. Matters such as illegal trade in immigration (border security) and improving relations with the Indian diaspora also contribute to a state's involvement in foreign policy.

Over the past decade and half, mainly border states have been encouraged to reach out to neighbor with whom they share contiguous border. The UPA government led by Prime Minister Manmohan Singh was very supportive of such initiatives. Tripura's efforts to reach out to Bangladesh and Punjab efforts to reaching out Pakistan were two big examples of this policy.<sup>9</sup> Although some states like Bengal and Tamil Nadu were not as much supportive of this policy.

Both of the states were part of the central coalition government and naturally gain importance in framing foreign policy matters specially in case of their states. Due to DMK pressure India had to vote against Sri Lanka at the UNHRC in March 2012.<sup>10</sup> Likewise the treaty on the teesta river was jeopardized due to CM Mamta Banerjee who dropped out of the prime Minister's. official delegation to Bangladesh at the 11th hour.<sup>11</sup>

Some thinkers also point it that increasing role of states in foreign policy has created challenge for sovereignty, federalism and the nation- state as a whole. Due to this some voices have harshly criticize the role of state in foreign policy. Eminent political scientist C.P.Bhambhari<sup>12</sup> warned that India will have to pay a heavy price if regionalist begin to decide the directions of policy. He was arguing in the reference of UNHRC issue in March 2012. The main concern is that many time states tend to pursue their regional interest rather than national interest.

Another interesting example of this occured in Kerala in 2012.<sup>13</sup> Two Italian marines who stood accused of killing two fishermen of the Kerala coast. kerala chief minister due to fear of local political consequences did not accept Italy's move not to send back one of the two marines to India and try in an Indian court. Central government acted accordingly state decision. So the New Delhi had to pay a big price for this which was regarding unable to get entry into the missile technology control regime (MTCR).

The essence of all above is that during coalition era states bargaining power increased very much. They showed their concerns on foreign policy issues specially on the regional basis. Coalition partners was really in better position to influence foreign policy issues. Although many time due to this parochial interest got priority over national interests. With all this, there were many positive consequences such as vibrant Gujarat investor's summit , Indian diaspora, border security, IT revolution in Hyderabad etc.

**Emerging Challenges and Opportunities From Federal Coalition Era to Full Majority Government**

2014 Lok Sabha election brought change at central level government. After 25 years a full majority government replaced a federal coalition era in Indian politics. Ever since the NDA government and Modi came into power there has been attempt to institutionalise the participation of states in foreign policy. The Modi government has also emphasised much on the economic dimension of foreign level dialogue.<sup>14</sup>

Actually the main challenge which the states are facing in foreign policy matter is a lack of institutional mechanism . The institutional role for states is not decided yet. Even on the issues that matter to the states there is no institutional procedures for serious consultation. NDC (National Development Council) and ISC (Inter State Council) are other institutional forum where center states can coordinate their policy preferences. Although these institutions are also not performing well in foreign policy issues.<sup>15</sup>

The second challenge is issue of national security. Most Indian states have either land or maritime borders with neighboring countries. Border regions need to be given special attention for a successful border management policy.<sup>16</sup> It is essential that people of north east should be involved in the implementation of look east policy. But sometimes it is seen increased role of states about borders making the central government's job more difficult. Such as states have demanded an increased role in controlling migration into their states. In case of territory related disputes chief ministers of states often demand more consultation with them. Many times state government does not show great enthusiasm for the endeavour of the central government.<sup>17</sup>

The third challenge of the resource management. Such as- River treaties, environmental concerns regarding various energy policies and security agreements are all those issues of foreign policy which create conflict between center and states. In June 2015 the land border agreement (LBA) issue

between India and Bangladesh has been resolved after four decades.<sup>18</sup> There had been done a constitutional amendment which required the consent of at least half of the state legislatures before becoming law. It was not an easy task for Modi government. When UPA government introduced this bill in parliament they had to face stiff resistance from the states involved in the LBA issue. Sometimes it is seen that due to political fallout or political considerations on the part of the state governments and regional parties the central government's ability to pursue a specific foreign policy or security agreement has been obstructed.<sup>19</sup>

Although there are many challenges regarding foreign policy, we should not ignore the new experiments that have seen at central level in recent years.

Prime Minister Modi has spoken in favour of both 'cooperative federalism' and 'competitive federalism'. Both are key hallmarks of the Modi government's economic and foreign policy. An active role for states in the making and practice of foreign policy there was a separate 'state division' set up in the ministry of external affairs in 2014.<sup>20</sup> The main function of state division is partnering with state to reach out to foreign countries by promoting trade and investment. Prior to states division establishment, state governments had to deal directly with the target country. Now the situation has been changed. Not only concerned states are involved but the whole Indian embassy in the target country helps to identify objectives, to plan and to advice on the specifics of the state's outreach. States division also gives briefing to state chief ministers on investment opportunities, international collaboration and to organise meetings. The MEA has also been working with state governments to create awareness among Indian workers when they travelling abroad.<sup>21</sup>

Proactive role of states in foreign policy will provide better result at regional level. China is the best example to prove it. It is largely due to provincial autonomy that China has been able to extract much more from its sub regional initiatives compare to India. Besides this China has also enhanced people to people linkages with countries like USA and Australia through sister province and sister city agreements. Indian states are also using these practices. Such as Gujarat has forged sister province relationship with Chinese Provinces.<sup>22</sup>

Pravasi bhartiya Divas are held in different parts of India. It creates opportunities for states to attract Indian diaspora to promote trade, for investing and FDI. Indian diaspora also helps state to make better relations with different countries of the world.

### **Suggestions**

In recent years role for states in foreign policy have been increased definitely. It has proven itself as a cooperative federalism. For providing more opportunities to state these things should we done-

1. Every state capital should have external affairs offices manned by state-level officials.
2. State governments should also create an international cell with support from the MEA's state division which help them to deal with specific issues.
3. During overseas visits Prime Minister should accompanied by chief ministers from other parties too. I mean to say that opposition ruled states Chief Ministers should also be part of PM's foreign visits.
4. Try to encourage large number of state governments to participate in dialogues with other countries. Special attention should be paid on provincial dialogues.
5. Northern eastern states political and economic stability should be ensured. Specially these districts should be weighed much more on foreign policy issues including trade in security as well as migration and navigation.<sup>23</sup>

### **Conclusion**

1. The increasing role of states in foreign policy strengthens the diplomatic capability of nation and also helps in securing foreign policy objectives.
2. India must have learn from the success of countries like China. Although some significant beginnings have been made by India in this direction.
3. It is essential to do hard work for strengthening of existing institutions such as- NDC and ISC. Only then their performance in foreign policy issues will be better.

4. Foreign policy consultation should be emphasised more than economic policy facilitation. It should have a fine balance between country's diplomacy and development needs of Indian states.

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