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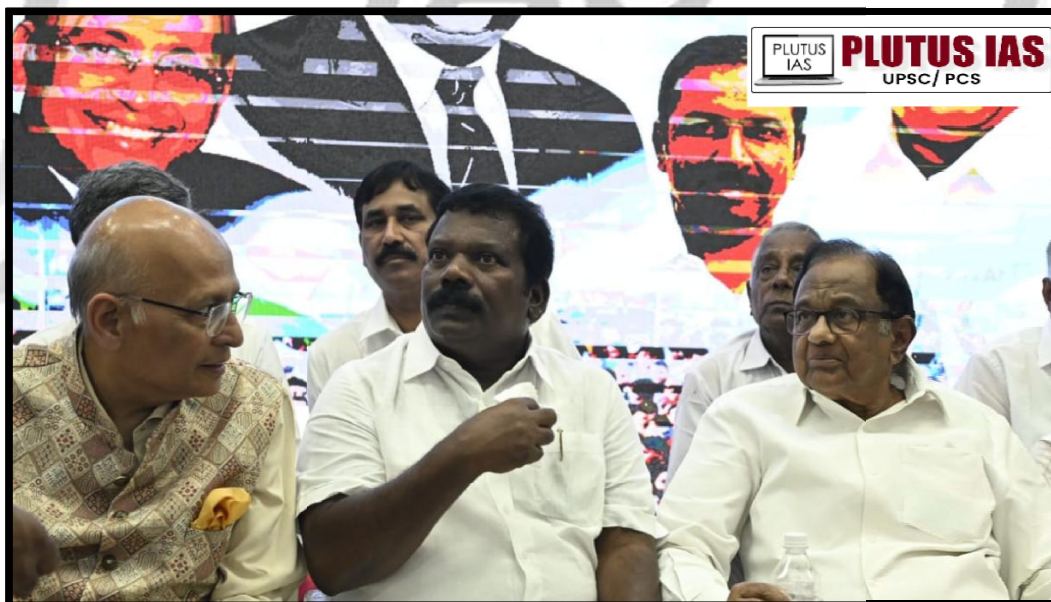
Argasia Education PVT. Ltd. (GST NO.-09AAPCAI478E1ZH)  
Address: Basement C59 Noida, opposite to Priyagold Building gate, Sector 02,  
Pocket I, Noida, Uttar Pradesh, 201301, CONTACT NO:-8448440231

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# FEDERALISM: THE SOUL OF THE INDIAN CONSTITUTION

### WHY IN THE NEWS?

Senior Supreme Court advocate and Congress Rajya Sabha MP Abhishek Manu Singhvi, speaking at Dr. B.R. Ambedkar's 134th birth anniversary celebrations, highlighted two key paradoxes in Indian federalism. He pointed out that while the Constitution does not explicitly mention the term "federalism," the Supreme Court recognised it as part of the basic structure over 30 years ago. Further, although India was originally designed as a strong centralised polity, it has evolved into a much more federal system over 75 years. Singhvi attributed this "accidental federalism" to factors like the creation of ethno-linguistic states, the rise of regional parties, coalition politics, fiscal devolution, and the empowerment of Panchayati Raj institutions. His remarks underline the organic and evolving character of federalism in India.



### WHAT IS FEDERALISM?

Federalism is a system of government in which power and authority are divided between a central (national) government and various constituent units (such as states or provinces). Each level of government operates independently in certain areas of legislation, administration, and taxation, as defined by a constitution.

**Key Features of Federalism:**

- 1. Dual Government:** Central and state governments function independently.
- 2. Written Constitution:** Clearly demarcates the powers and responsibilities of each level.
- 3. Division of Powers:** Powers are distributed through lists such as the Union, State, and Concurrent Lists (in India).
- 4. Supremacy of the Constitution:** The Constitution is the highest law, and all laws must conform to it.
- 5. Independent Judiciary:** Resolves disputes between different levels of government.
- 6. Bicameral Legislature (in many federations):** Usually includes a house representing the federal units (e.g., Rajya Sabha in India, Senate in the U.S.).

**INDIAN FEDERALISM VS AMERICAN FEDERALISM**

Aspect	Indian Federalism	American Federalism
1. Nature of Federation	Quasi-federal with a strong Centre	Pure federal system with clear division of powers
2. Source of the Constitution	Not based on an agreement of States; drafted by the Constituent Assembly	Formed by an agreement among sovereign States
3. Distribution of Powers	Three lists – Union, State, and Concurrent	Clear separation – Federal and State governments
4. State Autonomy	Limited; the Centre can intervene in State matters	High autonomy; States are constitutionally strong
5. Citizenship	Single citizenship for all Indian citizens	Dual citizenship (U.S. and individual State)
6. Judiciary	Integrated judiciary with the Supreme Court at the apex	Dual judiciary – separate federal and state court systems
7. Emergency Powers	Centre can assume control during a national, state, or financial emergency	Emergency powers are limited; federalism largely preserved
8. Alteration of State Boundaries	Centre can alter State boundaries without consent	States' boundaries cannot be changed without their consent

**CONSTITUTIONAL PROVISION**

- 1. Article 1 – India is a “Union of States”:** Indicates the indestructible nature of the Union, with States having no right to secede.
- 2. Seventh Schedule – Division of Powers:** Provides a three-fold distribution of legislative powers through the Union List, State List, and Concurrent List.
- 3. Article 245–255 – Legislative Relations:** Define the scope of Parliament and State legislatures, and address conflicts between Centre and State laws.

- 4. Article 256–263 – Administrative Relations:** Obligates States to comply with Union laws and provides for inter-State coordination through bodies like the Inter-State Council.
- 5. Article 280 – Finance Commission:** Recommends the distribution of financial resources between the Centre and States.
- 6. Article 352, 356, and 360 – Emergency Provisions:** Allow the Centre to assume greater control during national, state, or financial emergencies, affecting federal balance.
- 7. Article 3 – Reorganisation of States:** Empowers Parliament to create new States or alter boundaries without the States' consent.
- 8. Article 368 – Amendment Process:** Some constitutional amendments require ratification by at least half of the State legislatures, reflecting federal spirit.
- 9. Schedules V and VI – Special provisions for Scheduled and Tribal Areas:** Provide asymmetrical federalism by granting autonomy to certain regions.

## SUCCESS OF INDIAN FEDERALISM

- 1. Peaceful Integration of Diverse Regions:** India has successfully integrated over 560 princely states post-Independence and later reorganised states linguistically (States Reorganisation Act, 1956), maintaining unity amid diversity.
- 2. Democratic Decentralisation:** The 73rd and 74th Constitutional Amendments (1992) empowered local self-governments, ensuring grassroots democracy across over 2.5 lakh Panchayats and Urban Local Bodies.
- 3. Strong Centre Yet Regional Autonomy:** Despite central dominance, States like Tamil Nadu, and Punjab have exercised distinct political and cultural identities without threatening national unity.
- 4. Rise of Regional Parties and Coalition Era:** Over 40% of Indian voters now support regional parties. Coalition governments (e.g., UPA, NDA) have necessitated federal consultations, giving States more say in policymaking.
- 5. Fiscal Federalism and Devolution:** The 15th Finance Commission (2021–26) recommended 41% of the divisible tax pool to States, strengthening their fiscal independence.
- 6. Functional Institutions for Federal Coordination:** Bodies like the Inter-State Council, NITI Aayog, and GST Council (with 75% voting from States) enable cooperative federalism in decision-making.
- 7. Judicial Protection of Federal Structure:** In the Kesavananda Bharati case (1973), the Supreme Court ruled federalism as part of the Basic Structure, preventing its dilution via constitutional amendments.
- 8. Crisis Management through Federal Cooperation:** During the COVID-19 pandemic, Centre-State coordination in health, logistics, and disaster response showcased functional federalism in practice.

## CHALLENGES

- 1. Centralisation of Powers:** Despite constitutional safeguards, increasing central control, especially during President's Rule (Article 356) and central schemes, often sidelines States' autonomy.
- 2. Unequal Fiscal Federalism:** The Centre controls the majority of revenue sources, while States bear major expenditure responsibilities. States depend heavily on central transfers, leading to vertical fiscal imbalance.
- 3. Politicisation of the Governor's Office:** Governors are often accused of acting as agents of the Centre, especially in non-aligned States (e.g., recent issues in West Bengal, Tamil Nadu, and Kerala).
- 4. Inter-State River Water Disputes:** Disputes like Cauvery (Tamil Nadu–Karnataka) and Krishna (Andhra–Telangana) reflect friction over resource sharing and ineffective dispute resolution mechanisms.
- 5. Asymmetric Federalism and Regional Discontent:** Special provisions for certain States (e.g., Article 370 for J&K earlier, Sixth Schedule for Northeast) can breed perceptions of inequality or fuel separatist sentiments.
- 6. Weak Inter-State Coordination Mechanisms:** Bodies like the Inter-State Council remain underutilised. Meetings are infrequent, reducing their effectiveness in resolving federal disputes.

**7. Tensions in GST Implementation:** While the GST Council promotes cooperative federalism, States often complain about delayed compensation and loss of fiscal autonomy.

**8. Language and Cultural Assertion:** Periodic tensions (e.g., opposition to Hindi imposition in southern States) highlight challenges in balancing national integration with linguistic federalism.

## RECOMMENDATION

**1. Strengthen Cooperative Federalism Mechanisms:** Revitalise the Inter-State Council with regular meetings and empowered decision-making to enhance Centre-State and inter-State dialogue.

**2. Reform the Role of Governors:** Implement Punchhi Commission recommendations to make the Governor's office more impartial, transparent, and accountable to constitutional norms.

**3. Ensure Fiscal Equity:** Increase States' fiscal autonomy by widening their tax base, ensuring timely GST compensation, and reviewing Finance Commission formulas to address horizontal imbalance.

**4. Empower Local Governments:** Strengthen the 73rd and 74th Amendments by ensuring proper devolution of funds, functions, and functionaries (3Fs) to Panchayati Raj Institutions and Urban Local Bodies.

**5. Institutionalise Asymmetrical Federalism:** Recognise the diversity of India's regions (e.g., Northeast, tribal areas) by providing tailored governance models within the federal framework to address local needs.

**6. Improve Dispute Resolution Mechanisms:** Set up permanent tribunals or empower neutral constitutional bodies to resolve inter-state disputes quickly, especially on water, boundary, and resource-sharing issues.

**7. Foster Political Federalism:** Encourage healthy Centre-State relations regardless of political alignment by ensuring that centrally sponsored schemes are flexible and responsive to State needs.

**8. Promote Cultural and Linguistic Pluralism:** Respect and promote India's multilingual and multicultural identity through education, media, and policy, to prevent regional alienation.

## CONCLUSION

Indian federalism, though not explicitly named in the Constitution, has evolved organically into a dynamic and resilient framework balancing unity and diversity. Over 75 years, India has demonstrated remarkable success in integrating diverse regions, empowering local bodies, and fostering cooperative governance despite its initially centralised design. However, challenges such as fiscal imbalances, political centralisation, and inter-state tensions continue to test the federal spirit. Moving forward, reforms like strengthening institutions of dialogue, ensuring fiscal autonomy, depoliticising the Governor's role, and respecting cultural pluralism are critical. A robust, cooperative, and flexible federal structure remains essential to sustain India's democratic vibrancy and socio-economic progress.

## PRELIMS QUESTIONS

**Q. Consider the following statements:**

1. The word "federalism" is explicitly mentioned in the Indian Constitution.
2. The Indian Constitution allows the Parliament to alter the boundaries of States without their consent.
3. Federalism is part of the Basic Structure of the Constitution.

**Which of the above statements is/are correct?**

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

**Answer: B**



### MAINS QUESTIONS

Q. The federal structure of India, though centrally tilted in its constitutional design, has evolved into a dynamic and cooperative federal framework over the years. Critically examine this evolution and discuss the key challenges and reforms needed to strengthen Indian federalism.

(250 words, 15 marks)

## INLAND WATERWAYS AUTHORITY OF INDIA (IWAI): UNLOCKING INDIA'S MARITIME POTENTIAL

### WHY IN THE NEWS?

The Inland Waterways Authority of India (IWAI) reported a record cargo movement of 145.5 million tonnes in the fiscal year 2024–25, marking a significant milestone in inland water transport. According to the Ministry of Ports, Shipping and Waterways, the number of national waterways increased from 5 to 111, and the operational length expanded from 2,716 km to 4,894 km. The government has also launched the Jalvahak Scheme, offering 35% operating cost incentives to promote cargo movement on major routes such as NW-1, NW-2, and NW-16. IWAI aims to increase the modal share of freight transport through waterways from 2% to 5%, targeting over 200 million metric tonnes by 2030 and 500 million metric tonnes by 2047 under the Maritime India Vision 2030 and Amrit Kaal Vision 2047.



**WHAT IS IWAI AND THEIR MANDATE**

Established on 27 October 1986, the IWAI functions under the Ministry of Ports, Shipping and Waterways. It acts as the nodal authority for the regulation, maintenance, and development of inland waterways across India. The institution plays a critical role in policy formulation, infrastructure development, and ensuring the environmental integrity of waterways.

Mandate Area	Description
Development of National Waterways	IWAI identifies strategic rivers and canals that can be developed into National Waterways (NWs) based on commercial viability and navigational potential. Prioritizing these waterways ensures better allocation of resources and quicker results.
Infrastructure Development	IWAI constructs and upgrades terminals, river ports, jetties, and navigational locks. It focuses on creating multi-modal hubs that link waterways seamlessly with rail and road networks.
Regulatory Oversight	It frames operational and navigational rules for inland shipping, ensuring safety, standardization, and efficient movement of goods and passengers. It also issues guidelines for vessel licensing and operation.
Navigational Aids	IWAI installs modern navigation aids like buoys, marker posts, river lights, and uses River Information Systems (RIS) to monitor vessel movement, enhancing the safety and reliability of IWT.
Fleet Development	It promotes the modernization of the vessel fleet by encouraging lighter, faster, and fuel-efficient barge designs. It also supports shipbuilding yards through policy incentives.
Environmental Sustainability	Environmental Impact Assessments (EIA) are mandatory for new projects. IWAI ensures that dredging activities, terminal construction, and vessel operations are conducted sustainably without harming riverine ecosystems.
Promotion of IWT	Through campaigns, roadshows, workshops, and trade fairs, IWAI raises awareness among industries, logistics providers, and the public about the benefits of using inland waterways for transport.
Skill Development	Realizing the need for skilled human resources, IWAI promotes education and training programs for river pilots, engineers, logistics handlers, and safety personnel, often collaborating with maritime institutes.

**INLAND WATERWAYS IN INDIA: STATUS, DATA & FACTS**

India is blessed with a labyrinth of rivers, creeks, canals, and backwaters. The country has a navigable length of about 14,500 km, of which approximately 5,200 km is suitable for cargo transport. Despite this, the share of IWT in India’s modal transport mix remains low.

**1. 111 National Waterways (NWs):** With the passing of the National Waterways Act, 2016, 111 waterways were declared as National Waterways, creating a statutory framework for their development. Of these, about 20–25 NWs have been prioritized based on techno-economic viability studies.

**2. Major National Waterways:** NW-1 (Ganga-Bhagirathi-Hooghly river system) stretches 1,620 km, NW-2 (Brahmaputra) covers 891 km, and NW-3 (West Coast Canal) spans 205 km in Kerala. These three are the most commercially developed waterways with active cargo and passenger services.

**3. Cargo Movement Trends:** Cargo volumes moved through IWT rose from 3.1 million tonnes in 2008–09 to over 108.8 MTPA in 2022–23, reflecting the impact of targeted government interventions. Major commodities moved include coal, fly ash, food grains, cement, and petroleum products.

**4. Key Waterway Projects:** Flagship initiatives like the Jal Marg Vikas Project (JMVP) aim to provide year-round navigation on NW-1 with multimodal terminals, navigational locks, and barge construction programs. The Eastern Waterways Grid is another ambitious vision to connect Northeast India via water routes.

**5. Multimodal Terminals:** State-of-the-art multimodal terminals at Varanasi, Sahibganj, Haldia, and Jogighopa offer cargo handling, warehousing, container storage, customs clearance, and intermodal connectivity, improving cargo efficiency significantly.

**6. Passenger Ferry Services:** IWAI has launched ferry services connecting urban hubs across rivers, reducing travel times drastically. Ro-Pax and Ro-Ro ferries have also opened new possibilities for vehicle transport across rivers, avoiding long circuitous road journeys.

**7. Technology in IWT:** Digital innovations like RIS ensure real-time monitoring, hazard warnings, and efficient vessel scheduling. Future plans include the use of AI-based predictive models to improve navigation and traffic management.

**8. International Cooperation:** Inland connectivity with Bangladesh under the Protocol on Inland Water Transit and Trade (PIWTT) enables Indian vessels to access Bangladeshi ports, drastically reducing distance for Northeast-bound cargo by 800–1,200 km.

## ROLE OF INLAND WATERWAYS IN BOOSTING INDIA'S ECONOMY

**1. Cost-Effective Transport:** Waterways significantly lower logistics costs, crucial for making Indian products globally competitive. Studies show that an increased IWT share can reduce overall supply chain costs by up to 20%, a major boost to trade competitiveness.

**2. Fuel Efficiency:** Barges carry large quantities of goods with less fuel, leading to savings in national energy expenditure. A typical 2,000-ton barge can replace 100 trucks, thus reducing diesel consumption substantially.

**3. Reduced Congestion:** Diverting cargo to waterways relieves pressure on national highways and congested urban centers. This not only shortens travel times but also improves the lifespan of critical road infrastructure.

**4. Green Logistics:** Inland shipping emits much lower greenhouse gases per ton-km transported. If India increases IWT share from the current 2% to even 5%, it can lead to a massive reduction in annual carbon emissions.

**5. Employment Generation:** Inland ports, terminals, cargo handling facilities, and ancillary services generate both direct and indirect employment. Small business ecosystems around river ports stimulate rural economies and curb urban migration.

**6. Better Access for NE India:** Inland routes through Bangladesh, utilizing the Brahmaputra and Meghna rivers, offer cost-effective access to the Northeast. This not only strengthens economic ties but also enhances strategic connectivity to border states.

**7. Boost to Tourism and Heritage:** Developing river cruises and heritage routes can create a billion-dollar river tourism economy. Cultural and religious tourism linked with waterways (like Varanasi-Kolkata) holds immense potential.

**8. Support for Bulk Cargo Industries:** Cement, fertiliser, coal, food grain, and petroleum sectors benefit significantly from cheaper water transport. Backhaul cargo opportunities further enhance the economics of IWT, creating a virtuous trade cycle.

### CHALLENGES IN TAPPING THE INLAND WATERWAYS POTENTIAL

**1. Limited Water Depth:** Many rivers suffer from insufficient draft during dry seasons. Dredging is costly and environmentally sensitive, and in some cases, even frequent dredging cannot guarantee sustainable depths.

**2. Lack of Cargo Aggregation:** The scattered nature of industries along rivers makes it difficult to consolidate cargo for efficient barge operation. Unlike coastal shipping, inland shipping needs robust aggregation hubs for economies of scale.

**3. Infrastructure Gaps:** Key missing infrastructure includes adequate loading/unloading facilities, storage spaces, and container handling equipment. Without end-to-end seamlessness, shippers prefer road transport.

**4. Slow Vessel Movement:** River navigation is slower due to curves, bridges, fishing activities, and unpredictable sedimentation. The lack of night navigation facilities further restricts operational windows.

**5. Environmental and Social Concerns:** Projects involving river deepening and bank strengthening often trigger resistance from environmental groups. Ensuring ecological safeguards is necessary to maintain a social license to operate.

**6. Low Private Sector Participation:** Although government projects exist, private investments in vessels, terminals, and logistics services are slow. Concerns around regulatory stability and guaranteed returns deter many investors.

**7. Inter-agency Coordination:** Inland waterways often overlap jurisdictions of irrigation, fisheries, shipping, and environment departments. Fragmented governance slows decision-making and hampers project execution.

**8. Lack of Awareness and Promotion:** Many logistics providers and industries are unaware of how to use waterways for cargo movement. Active marketing campaigns, success stories, and financial incentives are necessary to change mindsets.

### RECOMMENDATIONS

**1. Assured Minimum Navigable Depth:** Government must focus on sustainable and need-based dredging using advanced technologies. Predictive hydrological models and low-impact dredging can balance navigation with environmental concerns.

**2. Strengthen Infrastructure:** Development of multimodal logistics parks near waterways should be prioritized. Port-led industrialization models like Sagarmala should be extended to inland river ports as well.

**3. Digital Ecosystem:** A fully integrated digital infrastructure connecting cargo owners, vessel operators, and terminal managers will increase operational efficiency. Blockchain-based cargo tracking could be the next frontier.

**4. Incentivize Modal Shift:** Financial incentives, concessional freight rates, and policy nudges should be provided to cargo owners willing to shift part of their logistics to waterways. Green certifications for industries using IWT can also be promoted.

**5. Public-Private Partnerships (PPP):** Structured, long-term PPP models with fair risk-sharing mechanisms can attract private capital into the sector. Clear timelines and dispute resolution mechanisms must be included.

**6. Skill Development and Capacity Building:** Specialised courses on inland navigation, river port management, and river vessel engineering should be introduced in maritime universities. This will create a pool of trained professionals for the sector.



**7. Integrated Policy Approach:** An apex National Inland Waterways Coordination Authority can synchronize efforts among various ministries, departments, and states. This body can also guide strategic investments and funding allocation.

**8. International Collaboration:** India should forge greater partnerships with European Union, ASEAN, and Bangladesh on inland shipping technology, regulatory best practices, and vessel design innovations.

## CONCLUSION

The inland waterways network represents a hidden economic and environmental treasure for India. With sustained investment, regulatory clarity, and private sector engagement, IAWI can help unlock this potential. Inland Waterways offer a future where goods move faster, cheaper, and greener — transforming India into a global trade leader while preserving its environment. It is time to sail ahead and harness the true power of India's rivers. Successful development of inland waterways will align India with its global climate commitments and promote inclusive growth across remote regions. With visionary planning and collective action, India's rivers can once again become the lifelines of national prosperity and connectivity.

## PRELIMS QUESTIONS

**Q. Which of the following statements about Inland Water Transport (IWT) in India is/are correct?**

1. IWT contributes over 20% to India's freight transport.
2. IWT is regulated under the Indian Ports Act, 1908.
3. IAWI is responsible for developing infrastructure on National Waterways.

**Select the correct answer using the code given below:**

- A. Only 1 and 3
- B. Only 3
- C. 2 and 3
- D. All of the above

**ANSWER: B**

## MAINS QUESTIONS

**Q. Examine the role of IAWI in fostering public-private partnerships (PPP) in the development of inland water transport infrastructure. What are the challenges in attracting private investments in this sector?**  
(15 marks, 250 words)

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 [info@plutusias.com](mailto:info@plutusias.com)  [www.plutusias.com](http://www.plutusias.com)  **8448440231**

**Khushmeet Kaur**

(Botany Faculty)  
M.Sc. (Jamia Hamdard)



IAS