

Conflictual Federalism and Politics: Union and State in India

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Abstract: The paper analyses the federalism in practical terms and presents the experience of federalism within the context of the state government of Odisha and government of India. The paper focuses upon some of the contentious issues that create tension among the federal units. The paper presents that conflict in federal polity is a result of competitive party politics to gain and retain power. The paper in conclusion tends to project that the conflict might transform into coordinate federalism due to political compulsion.

Keywords: Federalism, Special category status, Contentions, Party, Union & State governments

The Constitution of India describes India as a *Union of States*, and it is not a unitary or federal state. However, our system is a queer mixture of federal and unitary features, where even-though there are states like a federal system of US, the Union is more powerful, more like a unitary state and unlike a federal state. In many spheres, states are dependent upon the Union government, as the VII Schedule, containing the distribution of powers and responsibilities, is more tilted in favour of the Union than the states. The states very existence and boundaries can be altered by the Union through a legislation passed by the Parliament, even if states do not give consent. For this it is commented by some that India is an *indestructible Union of destructible states*. For this, K C Wheare describes India as a *quasi-federal* structure, but in the present political party configuration and alliance, stress is given more on horizontal federalism and co-operative federalism. Prime Minister repeatedly emphasizes that India can prosper only when states prosper, and he cites how the west is more developed and prosperous than the east side if a line is drawn vertically in the middle on the map of India.

Federalism was never questioned in the period of *one-party dominant system*, when Congress party was ruling both at the Union and in many states. Some of the non-Congress ruled states complained of negligence on the part of the Congress party led Union government, but it was not a recurrent feature. The coalition and alliance period in Indian polity with the decline of *one-party dominant system* till 2014 did not witness the vociferous demand by states for Special Category Status (SCS). However, with the dominance of *Bharatiya Janata Party* (BJP) in the national election of 2014, and with its ambition to hold the sway in all the states, has created a fuss among some of the regional parties, thereby exemplifying a demand for SCS by many states, prominent among them are Odisha, Andhra Pradesh, West Bengal, and Bihar. Odisha and West Bengal are ruled by *Biju Janata Dal* and *Trinamool Congress* respectively that are not in the BJP led NDA. So, demand for SCS by Odisha and West Bengal may be a good option, on the pretext of development, even if it has political connotations. Bihar was ruled by *Janata Dal* (United) and *Rashtriya Janata Dal* alliance earlier, but in-between, JD(U) broke its alliance with RJD in 2017, and joined in NDA, forming government with BJP alliance in Bihar. During the JD(U)-RJD alliance state government, there were demands for SCS by Bihar, but it has now subsided since JD(U) is in alliance with BJP, but demand for SCS by Bihar keeps on coming till now. *Telugu Desam Party* (TDP) broke the alliance with BJP in Andhra Pradesh on the pretext of development and demand for SCS, in March 2018, and withdrew from NDA. The demands for SCS have never been acceded positively by the Union governments, UPA (2004-2014) and NDA (2014). Even though the UPA government declared SCS to Andhra Pradesh after the bifurcation of the state and creation of Telangana state, the same was never implemented.

The state of Odisha was notified as a separate province on 1st April 1936 by the British colonial power. Prior to this, Odisha was together with the Bihar Odisha province under the British. Since then, eighty-two years have passed, and we have stepped into the twenty-first century. Many convincing developmental plans, policies, and programmes have been adopted and implemented over the years in the state of Odisha, with the assistance of the central government. Some of it has been successful and many have been failures, which have made the state of Odisha as the most backward state in India union, according to the latest Raghuram Rajan Committee report of 2013. What is the necessity for Biju Janata Dal (BJD), the ruling political party in Odisha to organize the *Swabhimaan Samavesh* in New Delhi in September 2013 and present a memorandum to the President of India with the signatures of one crore Odia persons for the special category state status for Odisha. Does it have any relevance in the politico-administrative sphere, when we are discussing the different models of development in the states like Kerala, Gujarat, or Madhya Pradesh? The Kerala model with its initial emphasis on literacy and land reforms, cumulating to development, has been highly appreciated by development practitioners, including Nobel laureate Amartya Sen. Equally appreciated is the Gujarat model of development, brought in by the then Chief Minister of Gujarat and present Prime Minister of India. Madhya Pradesh was one of the most undeveloped states, but has now improved a lot in the development indicators.

The Constitution of India clearly describes the financial relations under Part XII, and there is the Finance Commission, and erstwhile Planning Commission, to do the needful. There was also the National Development Council (NDC), where the states' Chief Ministers were members, and as per the recommendations of the NDC, the Planning Commission was giving grants. However, it is observed that sometimes this does not immune the Union government from adopting an unbalanced approach due to various political compulsions arising out of coalition politics. The BJD is neither with the NDA nor with the UPA, but it is a routine allegation on the part of the BJD leaders of the step-motherly attitude of the Union government to the state government. This amounts to casting aspersions on the federal principle of the Union of India. In a country characterised by a federal structure, the institutional arrangements outlining the relative responsibility of the federal government, particularly those relating to taxation, public expenditure and transfer of resources are also important (Rajan Committee Report, 2013; 3).

Special Category Status

The government of India declared 11 states as special category states (SCS), and this has been done on the basis of certain features. These features are hilly and difficult terrain, low population density and/or sizable share of tribal population, strategic location along borders with neighbouring countries, economic and infrastructural backwardness and non-viable nature of state finances etc., which necessitates special considerations while framing policy. States under this category have a low resource base and are not in a position to mobilize resources for their developmental needs even though their per capita income may appear high. Hence, the special category states require a strong resource supply for its development, which otherwise it is unable to meet, and this is provided by the central government. The states that are declared as SCS are the seven north-eastern states, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, and Sikkim, Jammu & Kashmir, Himachal Pradesh and Uttarakhand. On 20th February 2014, the then Prime Minister also stated that the residuary state of Seemandhra from Andhra Pradesh will also be accorded special category status for a period of five years.

What are the benefits that include with the tag of SCS assumes a lot of importance in the context of the demands not only by the state of Odisha, but also by Bihar, Rajasthan, Chhattisgarh, Jharkhand, and West Bengal. Is it not a paradox that the states are more than eager to call themselves backward and undeveloped so as to get funds from Union government, while the political party in the state has been mandated to bring in development in the state? This also assumes significance due to the fact that the same political party has been mandated for twice and thrice in states like Bihar, Chhattisgarh, and Odisha. In earlier days the example of Kerala model or West Bengal model were given for development purposes, and in the present era, we are speaking about the Gujarat model or Madhya Pradesh model, in the context of development. Lord Meghnad Desai favoured the Gujarat model for development; Amartya Sen praises the Bihar model of development. The same state of Bihar is also in demand for special category status. Can more funds from Union government, in the garb of SCS status, bring in expeditious development in the concerned state? The special facilities and concessions that include with SCS are the following: states will get funds in the ratio of 90:10 grants versus loans, as opposed to 70:30 for other states under regular funds; complete waiver of excise duty in the state which is at present 16 per cent; 30 per cent of the Centre's gross budgetary support for Plan expenditure goes to special-category states.

The tradition of SCS that was initiated in 1969, under Gadgil formula, by the fifth Finance Commission in three states, Assam, Nagaland and Jammu & Kashmir, and later increasing to eleven states. Have these states improved by any sort, or this is given due to political appeasement. The Raghuram Rajan Committee report of 2013, otherwise called *Report of the Committee for Evolving a Composite Development Index of States, 2013*, presents some sort of positive response to SCS status. The Rajan Committee that placed Odisha as the 'most backward' state, based upon an index of average of the following ten sub-components: (i) monthly per capita consumption expenditure, (ii) education, (iii) health, (iv) household amenities, (v) poverty rate, (vi) female literacy, (vii) percent of SC-ST (iv) population, (viii) urbanization rate, (viii) financial inclusion, and (x) connectivity (Rajan Committee Report, 2013; iii). The Rajan Committee that placed Odisha as the 'most backward' state, based upon an index of average of the following ten sub-components: (i) monthly per capita consumption expenditure, (ii) education, (iii) health, (iv) household amenities, (v) poverty rate, (vi) female literacy, (vii) percent of SC-ST (iv) population, (viii) urbanization rate, (viii) financial inclusion, and (x) connectivity (Rajan Committee Report, 2013; iii). The more the development in a state, the lower the index, and would get lesser allocations based on the need criteria. The report presents an underdevelopment index based on per capita net state domestic product. The states with more than 0.6 score are categorized as 'least developed'; states with a score between 0.4 and 0.6 are categorized as 'less developed'; and states with a score below 0.4 are 'relatively developed'. The Rajan Committee that placed Odisha as the 'most backward' state, based upon an index of average of the following ten sub-components: (i) monthly per capita consumption expenditure, (ii) education, (iii) health, (iv) household amenities, (v) poverty rate, (vi) female literacy, (vii) percent of SC-ST (iv) population, (viii) urbanization rate, (viii) financial inclusion, and (x) connectivity (Rajan Committee Report, 2013; iii). The more the development in a state, the lower the index, and would get lesser allocations based on the need criteria. The table below presents some of the scores of the selected states, which includes the SCS and the states demanding to be included under SCS.

SCS States		States demanding SCS	
States	Scores/Index	States	Scores/Index
Arunachal Pradesh	0.74	Odisha	0.79
Assam	0.71	Bihar	0.76
Meghalaya	0.70	Madhya Pradesh	0.76

Manipur	0.58	Jharkhand	0.74
Nagaland	0.57	Chhattisgarh	0.74
Jammu & Kashmir	0.53	Rajasthan	0.65
Mizoram	0.52	Uttar Pradesh	0.65
Tripura	0.47	Andhra Pradesh	0.54
Himachal Pradesh	0.42		
Sikkim	0.41		
Uttarakhand	0.39		

Source: *Report of the Committee for Evolving a Composite Development Index of States, 2013* (Raghuram Rajan Committee Report), p-31

From the indexes shown in the table, among the eleven SCS states, only three states, Arunachal Pradesh, Assam, and Meghalaya are 'least developed' states; only one state, Uttarakhand, is 'relatively developed'; and the rest seven states are 'less developed'. It can be inferred from above that the SCS has acted as a factor for development, with eight of the eleven states not being categorized as 'least developed' states by the committee. It indicates that SCS has made a positive impact. The situation is not so promising in the context of the states demanding for SCS. Odisha is the first state among the 'least developed' states, followed by the other states. Andhra Pradesh has an index categorized as 'less developed', now consisting the residuary state of Seemandhra, which has been accorded SCS. All the other states demanding for SCS are categorized as 'least developed'. The finding of the committee, atleast to a great extent, justifies the demand of these states to be declared under SCS. Special funds and grants can bring in expeditious development with better opportunities for the people.

As earlier stated, SCS get grants from Union government for their financial requirement and asset creation. The expenditure made by the SCS out of the grants received from the Union government is not treated as revenue expenditure, as is the practice for the general category states. This does not make an adverse fiscal deficit.

Odisha is rich in mineral resources with a fifth of India's coal, a quarter of its iron ore, a third of its bauxite reserves and most of the chromites. With this rich mineral resources base, Odisha would have prospered a lot, but it is alleged that a lion's share of the royalty of the various mineral resources are taken by the central government. The state receives a very little share of this royalty. Apart from this, the Shah Commission of Enquiry has submitted its report on the mines corruption in Odisha. Hence, on the one side there is the complain that a major portion of the royalty is being taken by the central government, and on the other hand a commission has submitted its enquiry report on corruption in mines activities. In this context, it is quite futile to expect that revenue from mineral resources can bring in development objectives of Odisha. The state has some of the aluminum and steel industries and it has brought the socio-economic development of the local people to some extent. However, these big industries are pocketing a major share of the profit, and only miniscule of the population are getting the benefits of such industrial activities. It is observed that a large portion of the locally disadvantaged sections of the population have infact been pauperized due to the loss of their land for the establishment of these industries in their area, and for which the local people are now increasingly opposing such industrialization. Instances of NALCO, SAIL, Vedanta, Bhusan, etc, has shown that even though a minor section of the population have benefitted, a majority of people have lost heavily due to such industries. The industrialization process has permanently taken away the livelihood of the people giving them a meager compensation to support their lives. It is for this reason that the mega-industrial projects like POSCO, Arcelor-Mittal, etc, were vehemently opposed by the people in the locality where

such industries are proposed to be set-up in Odisha. Such mega industries cannot eradicate the poverty and sufferings of the people but on the contrary would be a factor for increasing the poverty and widening the gap between the rich and poor.

According to the media reports, the Shah Commission enquiry on the mining scam in Odisha, that submitted its report to central government in December 2013, finds that the government has lost revenue to the tune of about rupees sixty thousand crores. The mining scam includes some of the respectable corporate houses like, Tata, Aditya Birla, Jindal, & SAIL (Steel Authority of India), among others. The commission indicts that this huge amount of revenue loss was possible due to the connivance of the politicians, mines lessees, and government officials. After the Shah Commission report to central government, the Ministry of Environment & Forests, Gol, in December 2013 asked the Odisha government to issue show-cause to the 55 mining companies for excess mining and violations of the environmental law.

This amount of revenue siphoned could have been utilized in many developmental projects of the state. The state government is always demanding not only for more funds and grants from the centre, but also an increase in the mining royalty. At the same time, the rich mineral resources were plundered whereby a few powerful people gained at the hands of the majority of the people. Odisha, Chhattisgarh, Jharkhand, and Madhya Pradesh are the country's top mineral producing states and they have been pressing before the central government to revise the royalty rates. With the demand for the royalty increase, the central government approved the new increased rates for mines royalty to the states in August 2009.

Apart from the traditional backward parameters contributing to lack of development, Odisha is prone to natural disasters, almost recurring annually, either in the type of flood, cyclone or drought. Cyclones *Phailin* and *Hudhud* occurred in the years 2013 and 2014 respectively, followed by severe drought in 2015. As per the state government records, a final memorandum for cumulative losses due to the drought of 2015 was of Rs. 2344 crores that was submitted to central government in January 2016. This was estimated after the crop cutting reports were received from the districts. Out of the total 30 districts, 28 districts were drought affected, leaving only the districts of Jagatsinghpur and Malkangiri. A total of 29,176 villages in 3,832 gram panchayats of 235 blocks in 28 districts, and 55 urban local bodies were notified as drought affected. The total crop area affected due to the drought was 21.6 lakh hectares, out of which, 15.36 lakh hectares suffered losses of 33% or more.

The Chief Minister of Odisha in a letter to the Prime Minister on 16th June 2018, again stressed for the demand of Special Category Status (SCS) to Odisha to fast-track the on-going development. The letter stated, 'with the high percentage of population belonging to scheduled castes and tribes, and the State facing frequent natural calamities, Odisha deserves to be accorded SCS to fast-track the on-going development and may be treated at par with north-eastern and Himalayan states for sharing pattern of Centrally sponsored schemes'. The Chief Minister also suggested some measures and mechanisms for expediting development and welfare by demanding a national policy on loan-waiver to relieve farmers from agrarian distress and the financial burden of agricultural loan, policy reforms to provide access, adequacy and timeliness of institutional credit to farmers, creation of a credit guarantee trust for agriculture (CGTA) on the lines of credit guarantee for micro and small enterprise (CGTMSE) through which collateral free agricultural loans upto Rupees Fifty lakhs and collateral free crop loans upto Rupees Two lakhs could be extended. He also suggested recommendations of the Swaminathan Committee on Farmers to be implemented in right earnest on fast-track mode to have holistic development and transformation of the agricultural sector.

The Centre's action of not granting the SCS to Odisha was justified by Montek Singh Ahluwalia, the then Deputy Chairman of Planning Commission, on his visit to Odisha in March 2014. Ahluwalia said, "It's not in my hands to grant special category status to Odisha. However, there is no doubt that Odisha is a backward State. The state should get and is getting enough assistance under various schemes like the Revised Long Term Action Plan (RLTAP) in KBK region and Backward Region Grant Fund (BRGF)". It was reported in newspapers that in 2013, he had rejected the state Government's plea for special category status saying that Odisha did not meet the 'existing criteria' for grant of such status. The plan panel, however, rejected Odisha's demand before the Raghuram Rajan Committee report, otherwise called *Report of the Committee for Evolving a Composite Development Index of States*, 2013, which designated Odisha as the poorest state in the country, but did not recommend such a status to it.

The then Vice-Chairman of NITI Aayog, Arvind Panagariya, during his visit to Odisha on 9 January 2016, rejected the demand of SCS to Odisha on the pretext of having no relevance after the recommendations of the Fourteenth Finance Commission (FFC) on new policy of distribution of resources between the centre and states. The demand for SCS to Odisha was relooked with a special dispensation from the centre by the Chief Minister while discussing with Panagariya on the same day. The Chief Minister was concerned with the delinking of several area development programmes, including the special plan for KBK districts, BRGF, and Integrated Action Plan (IAP) for Left Wing Extremism affected districts from central assistance. The Chief Minister stated that the increase of financial devolution of central taxes from 32% to 42% will actually result with a loss of Rs. 1776.31 crores for Odisha in 2015-16. Rejecting the claim of the loss of revenue by the state government, the state unit of BJP stated that as against the anticipation of central assistance of Rs. 19,580 crores for 2015-16, the state will get Rs. 26890.27 crores as per the recommendations of FFC, which is an increase of Rs. 7,310 crores. Sources maintained that the loss to the state on account of closure of schemes and change in the pattern of central assistance will be Rs. 5,874.44 crores in 2015-16, and the state will benefit Rs. 1435.56 crores on the basis of new policy formulated on the recommendations of FFC (*The New Indian Express*, Bhubaneswar; 11 January 2016).

River Mahanadi Dispute

Another contentious issue is the Mahanadi river water dispute between the states of Odisha and Chhattisgarh. Odisha alleged that Chhattisgarh is constructing weirs and barrage over the up-stream of river Mahanadi and obstructing the free flow of river Mahanadi to Odisha. Odisha objected the construction and operating of six industrial barrages, Samoda, Seorinarayan, Basantpur, Mirouni, Saradiha and Kalma, by Chhattisgarh government. As alleged by Odisha government, this has been done without prior consultation and unilaterally by Chhattisgarh. It also alleged that since Chhattisgarh is ruled by the BJP, the Union government is taking the side of Chhattisgarh. The Union government denied this allegation and called upon both the states for an amicable solution, but to no result. The ruling BJD party in Odisha made it a major issue against the evil design of BJP to the state. Earlier to a question in the Odisha Legislative Assembly, the Chief Minister admitted that nearly 50 percent of the water of river Mahanadi is flown to the sea, as there are no barriers to stop the river water. Chhattisgarh took the same plea that instead of wasting the water, it is reserving the river water and will also release the river water as and when required. However, Odisha government sees it as a major problem as the river Mahanadi will dry-up in the downstream, thereby severely hampering the agriculture, hydro-electricity at Hirakud Dam, pisciculture and the livelihood of fishermen community. All attempts by the Union government to solve the river Mahanadi water dispute between Chhattisgarh and Odisha went in vain. In November 2016, Odisha government appealed before the Supreme Court under Art. 131 of the

Constitution of India, and pleaded for the formation of a tribunal under Sec. 3 of Inter-State Water Disputes Act, 1956. The Supreme Court, in January 2018, directed the Union government to set up a tribunal in response to the appeal made by the Odisha government to stop the Chhattisgarh government from constructing several weirs on the river Mahanadi. The Union Cabinet on 20 February 2018 approved the setting up of a tribunal to settle the dispute between Odisha and Chhattisgarh on sharing the waters of the river Mahanadi. The Union government notified the tribunal on 12 March 2018 to “determine water sharing among basin states on the basis of the overall availability of water... contribution of each state, the present utilisation of water resources in each state and the potential for future development”. The river water sharing dispute is another major area of dispute within the federal framework that has wider ramifications. The ruling BJD in Odisha made it an issue in the by-election to Bijepur Assembly Constituency in February 2018, and it continues to be an issue in the coming elections of 2019. The Prime Minister in a public meeting at Cuttack, on the banks of river Mahanadi, on completion of four Prime Minister, in a public address on 26 May 2018 on the banks of river Mahanadi at Cuttack, to mark the completion of four years of NDA rule, spoke how Odisha is wasting the precious sweet water of river Mahanadi into the Bay of Bengal and now the ruling BJD is making it an issue to defame the BJP that is in power both at Centre and in Chhattisgarh. The Prime Minister alleged that “when the Centre tried to resolve the issue through discussion, the Odisha government did not cooperate and went on the back foot”.

Other Contentious Issues

The confrontation of the state of Odisha with the Union government, apart from the issue of SCS, gave a new dimension with the BJP's renewed vigour and slogan of 'Mission +120' for the Odisha Assembly election of 2019. This became more aggressive in April 2018 with the BJP President stating, after the success of wresting power in Tripura from the twenty-eight years of rule by the Left parties, that the golden period of BJP will come only after forming state governments in the states of Karnataka, Odisha, and West Bengal. The ruling party in Odisha, Biju Janata Dal (BJD) never wanted an aggressive BJP in the state. The federal confrontation between Odisha and the Union government sharpened, with Odisha rejecting the health insurance scheme *Ayushman Bharat* of the Union government, and launched its own programme *Biju Swasthya Kalyana Yojana* (Biju Health Welfare Scheme) in June 2018. This programme would benefit 3.5 crores people of over 70 lakh families. Later, in the same month, the state government increased the healthcare assistance from Rs. 5 lakh to Rs. 7 lakh for women. This increase was due to a request made by a tribal woman, Mamata Padiami of Kalimela block in Malkangiri district, during a video conferencing with the Chief Minister at the newly initiated *Ama Gaon, Ama Vikash* (Our Village, Our Development) programme. Padiami said, “Health issues are more of a concern for women. While 50 percent reservation for women in Panchayati Raj institutions has empowered them by contributing significantly in the decision-making process, you have done a lot for women under *Mission Shakti* programme. I appeal to you to enhance the health coverage for the benefit of women” (*The New Indian Express*, 28 June 2018).

The confrontation between the state of Odisha and Union was seen in 2017, when paddy cultivation was affected due to brown plant hopper pest attack. Hectares of rice crop were damaged and farmers put their agricultural field on fire, and committed suicide. The situation was much worse in western Odisha. The state and the Union governments alleged against each other for the crop loss and farmers suicide. The Union agriculture minister Gajendra Singh Sekhawat on his visit to Odisha for Agri Vikas 2018 conclave in June 2018, alleged that the state government did not provide the right pesticide nor gave proper information to the farmers to tackle pest attack. He said that spurious pesticides were supplied to the farmers, and the farmers were not at all sensitized. He stated, “out of the 200 sample bottles of

pesticides collected, report revealed that 68 percent worked as nutrient for pests. Only 10 percent of the remaining samples were found useful, while the remaining were spurious" (*The New Indian Express*, dtd. 30 June 2018). While criticizing the state government, he said that agricultural resources are available in Odisha, and there can be the second agriculture revolution, the first being 'production-centric', and the second can be 'market-centric'. The state governments alleged that the Indian Council of Agricultural Research (ICAR) and the Union Agriculture Ministry did not provide any information to tackle the pest attack.

There are certain other irritants in the BJD and BJP politics that has contributed to the growing tension between the Odisha government and the Union government. The BJD often alleges that the Union is utilizing the CBI enquiry against the leaders of the BJD so as to defame the party and gain political mileage in the state. The Union government, under the direction of the Supreme Court, ordered CBI enquiry to Chit Fund scam that involved some political leaders of the BJD. One Member of Parliament from Baripada, Rama Chandra Hansda, two Members of Odisha Legislative Assembly (MLA), Pravat Ranjan Biswal and Pravat Tripathy, all belonging to BJD were arrested, in connection with chit fund scam, and are now on bail. The Union government also directed the CBI in June 2018, to enquire into the sinking of the Black Rose merchant ship at Paradip port in September 2009. It is rumoured that one MLA of BJD, and lose aide of the Chief Minister has links to the illegal transportation of iron-ore dust loaded in the Black Rose ship. Interestingly, the ship did not have valid documents and insurance for transportation and there were also no claimant either for the loaded iron-ore dust or the ship itself. The BJD considers that the CBI enquiry is only aimed for political reasons and to put the party into trouble in the election due in 2019.

Another issue of concern between the state and Union is the *minimum support price* (MSP) for agricultural produce. The BJD alleged that the Union government is not only increasing the MSP for paddy, but is also delaying the declaration of the MSP for the year 2018. Usually the MSP is declared in the first week of June every year, but in 2018, it was declared on 4 July 2018. The Union government increased the MSP from Rs. 1550/- in 2017 to Rs. 1750/- for 2018. However, the BJD demanded for implementation of the recommendations of the Swaminathan Committee on agricultural pricing and increase of MSP for paddy to Rs.2930/- per quintal. In 2016, the Odisha government conducted a survey and fixed Rs.2344/- per quintal as paddy cost incurred by farmers. The BJD also conducted an agitation in demand of the increase of paddy MSP to Rs.2930/- in 2017. Odisha being a predominantly rice producing state, MSP for paddy has implication for electoral returns. The state unit BJP, on the other-hand, alleged that the Chief Minister declared to give Rs.100/-bonus on MSP to each farmer in a farmers' rally at western Odisha in 2015, but it has not been given, and now when the Union government has increased the MSP, the BJD is criticizing.

Conclusion

With the coming of the new Union government in May 2014, Prime Minister Narendra Modi in his maiden Independence Day speech on the ramparts of Red Fort, announced the dismantling of the Planning Commission with a more vibrant federal body called NITI (*National Institution for Transforming India*) Aayog. This body came into effect from February 2015. Prime Minister constituted three Sub Groups of Chief Ministers on the following themes: Rationalisation of Centrally Sponsored Schemes, Skill Development, and Swachha Bharat. In the Budget 2015, the Union Finance Minister has raised the financial devolution of Finance Commission from 32% to 42%. This will give more revenue to the states for its development objectives.

It is not that the state of Odisha is always in conflict with the Union, but on issues of development and welfare of the people the BJD in Odisha does not make any compromise. The BJD was an alliance of the NDA till the elections of 2009. There was coalition government in Odisha with the BJD and BJP for two terms, 2000 and 2004. However, the alliance came to end after the horrific killing of Graham Staines and his two minor sons in 2008. During the Presidential elections, the BJD gave support to the NDA candidate Ram Nath Kovind. Chief Minister Naveen Patnaik has also supported the idea of simultaneous General and Assembly elections idea floated by Prime Minister. The Chief Minister said, "We have been elected to do people's work. Having elections throughout the year disturbs people's work. Therefore, we support the appeal by the Prime Minister for simultaneous polls to the *Lok Sabha* and *Vidhan Sabha*" (*The New Indian Express*, 27 June 2018). Naveen Patnaik and the BJD always maintained equi-distance from the BJP and the Congress. BJD has never joined with the group eager to form the Third Front. Naveen Patnaik always evades the journalists' question on Third Front formation. According to a retired bureaucrat, "the stature of Naveen Patnaik in Odisha is at par with Narendra Modi in India". Till date, Naveen Patnaik has never given a single scope to the opposition political parties for any sort of allegations. In this perspective, it will not be wrong to forecast that the conflictual federalism experienced in Odisha might transform into coordinate or cooperative federalism; after all, politics is the art of possibilities to retain power.

What is required is an inclusive policy of holistic development so as to bring in all-round development and welfare of the people. This can be made possible through massive infrastructural development and creating avenues for gainful employment of the people. The state of Odisha is the most backward state of India, and this alone can be a single qualifier for declaring it as a special category state. The state has all the characteristics except having an international border. The exception can be considered to the fact that it has a long coastline thereby making it vulnerable to cataclysmic cyclonic disasters, most prominent and recent being the Super cyclone of 1999 and the *Phailin* of 2013. Odisha has been facing the brunt of natural calamities, like flood, drought, cyclonic storms, on an average, annually. The state alone does not have the resources to meet the challenges of natural calamities. The relief and reconstruction activities after the havoc of a cyclone are huge, and so have to depend upon the central funds. In 2013, after the very severe cyclonic storm, *Phailin*, Odisha government submitted two memorandums of a total of Rs. 5832 crores to the central government, for rehabilitation and reconstruction due to *Phailin*. The Odisha government had to wait for about two months to get the central assistance of Rs. 1000 crores for the relief and reconstruction activities. As per the Odisha Relief Code, rehabilitation and restoration work has to be completed within a period of 45 days from the date of its occurrence, and without the central assistance, the state's meager resources were no match to meet the demands of the relief, rehabilitation, and reconstruction activities. The inordinate delay in release of central funds compelled the Odisha government to hike the Contingency Fund of the state from Rs. 400 crores to Rs. 1900 crores in November 2013.

Development paradigm is an essential prerequisite for a prospective development planning ushering in the desired goals. The governing class must have a proper development vision & planning in order to gain meaningful & tangible results. The Union government is reinvigorating the whole structure of development for expeditious outcome. Development has become a 'holistic' concept, circumscribing the gamut of 'good governance'. It is to be noted that our Constitution also speaks for a 'bottom-up' approach against the 'top-down' approach in planning & development. However, this mechanism of 'bottom-up' approach needs a strong & equipped social structure to maximize the benefits. Are we really prepared for such a massive over-haul of the planning & development mechanism? The Nehruvian economy and model may be appropriate for the immediate post-independence period, but in the era of globalization, India requires a strong structure so as to achieve a vibrant and prosperous society. In the

present era, 'market-led' development is more relied upon, and this requires our labour force to be trained in that way. There is vast labour power in India that remains to be under-utilized. Financial institutions are yet to be available in the rural area for equitable distribution. The present PM *Jan Dhan* Programme of the government is a welcome step in this regard.

Reference

Report of the Committee for Evolving a Composite Development Index of States (Raghuram Rajan Committee), 2013 (n. d), Retrieved September 30, 2020 from https://finmin.nic.in/sites/default/files/Report_CompDevState.pdf