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**Federalism and the  
Formation of States  
in India**

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# FEDERALISM AND THE FORMATION OF STATES IN INDIA

Susant Kumar Naik\* and V Anil Kumar\*\*

## Abstract

*In recent days, the process of federalization within the Indian Union has become more debatable due to the unequal federal development at various levels. In this context, the issues of state formation in India have become very crucial within the domain of the Indian federal structure. In the 1950s, the nature of demands for a new state was based on the 'identity' aspect under federal governance; but at present, the focus has shifted to 'regional development,' particularly to the aspects of socio-cultural, economic and political opportunities. The main objective of adopting the federal structure in Indian polity was to promote cultural homogeneity and improved federal governance in all the Indian states. However, the unequal development between the states and lack of socio-economic and political opportunities in society has challenged federalism in India. This situation has opened the door for the emergence of many regional parties, volunteer groups and civil society organizations to fight against their perceived discrimination. Therefore, the separation, creation or alteration of a state has great importance and needs to be discussed in depth. Hence, for this study, two case studies are taken, i.e., the Hyderabad-Karnataka region that has been assigned 'Special Status' within the State of Karnataka and the State of Telangana, which was carved out from the State of Andhra Pradesh. This paper is a part of a thesis, which is under progress.*

**Key words:** Federalism, Indian Constitution, Political Representation, Special Status, Regional Imbalances.

## Introduction

The Indian political system and its Constitutional framework has been the most debated political text in the post independent period. This is due to its complex nature and character of diversities and pluralities. The social composition and the nature of the economic system always affect the politics of a nation or a state. As a salient feature of the Indian Constitution, the idea of federalism or federation is debatable: in the sense that, in a rapidly changing socio-political scenario, the Indian Parliamentary Federal System has been under immense pressure internally as well as externally. It faces many difficulties in adapting the constitutional theory and practice in the emerging global situation where divergent forces of globalism and localism are struggling for equilibrium. On the one hand, within the nation, regional and local forces are asserting their identities for recognition at the national level and: on the other hand, the federal states are experiencing various restrictions on their power and autonomy from both global and local entities. Much of the literature on federalism indicates that there is a need to promote better federal democratic governance particularly in developing countries. The evolution of the federal polity in India emerged out of the peculiarity of its society and culture, its state system and the nature of the Indian Constitution. In addition, Indian history shows that the Indian states were governed by the absolute or centralized bureaucratic, monarchic or feudal rulers in pre-independent

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India. It shows that some features of these states during that time, had certain traits that facilitated their transition into a federal polity (Saxena, 2006).

### **Constitutional Debate on Federalism**

The British rule in India also had centralized the entire administrative process as per their convenience. The colonial state was realigning the territories of various provinces and regions arbitrarily (without people's consent) and Indian states lost their autonomy, rights and privileges. In this context, to achieve full-fledged autonomy, rights and freedom, they started demanding the reorganization of state boundaries in all parts of the country. British-India adopted the federal system in order to avoid political chaos and secure hegemonic administrative control in India. Subsequently, the British rulers realized that the Indian sub-continent cannot be ruled through a centralized administrative system because; the Act of 1833 was the final step for the centralization of power in British India. Later, the Government of India Acts from; 1917 to 1935 played very significant roles in terms of incorporating the federal structure and principles in the governance of India (Rath, 1984). In the early 1920s, the Indian National Congress, as the major political party of the country, promised to reorganize the Indian states after independence. After the formation of Andhra Pradesh in 1953, many social movements started demanding new states in recognition of their respective identities. The demands were mainly to recognize their own socio-cultural values and norms in a diverse society. Such demands were made by the Gorkhaland Movement in West Bengal (Pradhan, 2012), the Bodo Movement in Assam, the Coorg Movement in Hyderabad-Karnataka region (Assadi, 1977), the Tribal Movement in Jharkhand for making local language as the medium of education (Singh, 2014) and so on. Before the Constitution came into being, there was also a huge debate over the use of the terms 'federal' and 'union' in the Constituent Assembly. The debate continued between the Union Constitution Committee under the chairmanship of the then Prime Minister Jawaharlal Nehru and the Drafting Committee chaired by Dr. Ambedkar. Finally, the word 'union' was incorporated in the Indian Constitution as per Ambedkar's suggestion. The 'Union of States' implies a federal constitution based on a dual polity, he clarified because; the Federal Constitution can provide the expression of regional goals and national objectives. It also aims to accommodate various aspirations and sovereign interests of different provinces with ethnic groups and linguistic characteristics.

### **Federalism and State Formation in Post-Independent India**

Federalism is a widely accepted form of government in the world today due to its accommodative or adaptive nature. It emerged as a strong counter device against the British colonial monarchism that existed across the world during that time. As a result, USA came with the first modern written democratic constitution by overthrowing the colonial monarchism. Subsequently the US constitution adopted the democratic means of governance by limiting the governmental power by vertical separation of powers and horizontal division of powers. This is because federalism emerges out of the balanced forces of nationalism and regionalism. On the contrary, UK developed another form of government, in which there was struggle for supremacy between the crown and the parliament. This experience taught

to rest of the countries of the world to choose a federal democratic republican constitution. In the case of India, the constitutional maker's choice was for federalism due to its sub-continental expanse and; socio-cultural and regional diversities. Historically, India has been a plural society as well as multicultural with all the characteristics of diversity. India had not only cultural diversities and differences but also threat of external aggression. After British left the India, it was open to threats from China, Russia and Afghanistan on the one hand and the newly created Pakistan on the other hand (Saxena, 2011). The Cripps and Cabinet Mission Plans advocated for a relatively weak Centre due to various communal problems but, it was not accepted by the Constituent Assembly. However, the passing of the India Independence Act and the eventual partition of India and Pakistan led the constituent assembly to adopt the unitary form of federalism (Saez, 2002). After independence, Jawaharlal Nehru, like other congress leaders of that time, was very ambivalent and uncertain about the reorganization of states, owing to the fact that he worried about disintegrative consequences. He also had the fear of the viability and durability of the monolingual states, which would not have long term sustainability. During the constitutional debate, Nehru supported administrative efficiency and a multi-cultural and multi-lingual political order. In contrast, Ambedkar supported the demand for the reorganization of Indian states on linguistic basis. He thought it would ensure the functioning of the democratic polity by enhancing the equitable survival of all languages, cultures; regions within an inclusive developmental polity. He also emphasized on administrative efficiency, specific needs of particular areas and proportion between majority and minority communities within a state. Thus, the reorganization of states would help countries maximize growth and political strength as well as allow expressions of regional characteristics. The federation was accepted as a useful and working system of government in conflict situations (issues of separation, division of large regions, diverse culture etc.) related to a federal structure(Watts, 1966).

Within this federal framework, inter-state boundaries among Indian states since 1950 have continuously been reorganized and the process is not yet complete. In the 1950s, the reorganization of south India took place followed by the reorganization of states of western and northern India in the 1960s. Later, the northeastern states were reorganized in the 1970s. Three new states (Uttarakhand, Chhattisgarh and Jharkhand) were created in 2000. Among the linguistic states, Andhra Pradesh was the first state to be formed based on the Telugu speaking population in south India. In subsequent years, the rest of the Indian states started demanding for separation based on the linguistic identities. There are still some demands for creating new states and the finalizing of boundaries of the states. The post-independent Indian federal structure has weathered many linguistic, religious, ethnic, regional, cultural and politico-ideological challenges. In order to overcome these challenges, the Indian Constituent Assembly in 1948 appointed the Dar Commission followed by the Jawaharlal Nehru, Vallabhbhai Patel, Pattabhi Sitaramayya Committee (JVPC) to reorganize the states. Both the committees expressed concern regarding the new forms of inequalities and hierarchies based on the disproportionate spread of linguistic majority and minority groups in the reorganized provinces (Sarangi & Pai, 2011). In addition, seven other committees were constituted with regard to the federal structure in Indian polity (Inter-state Council Secretariat, Ministry of Home Affairs, Government of India). In 1953, the States Reorganization Committee (SRC) was established to look after the issues of

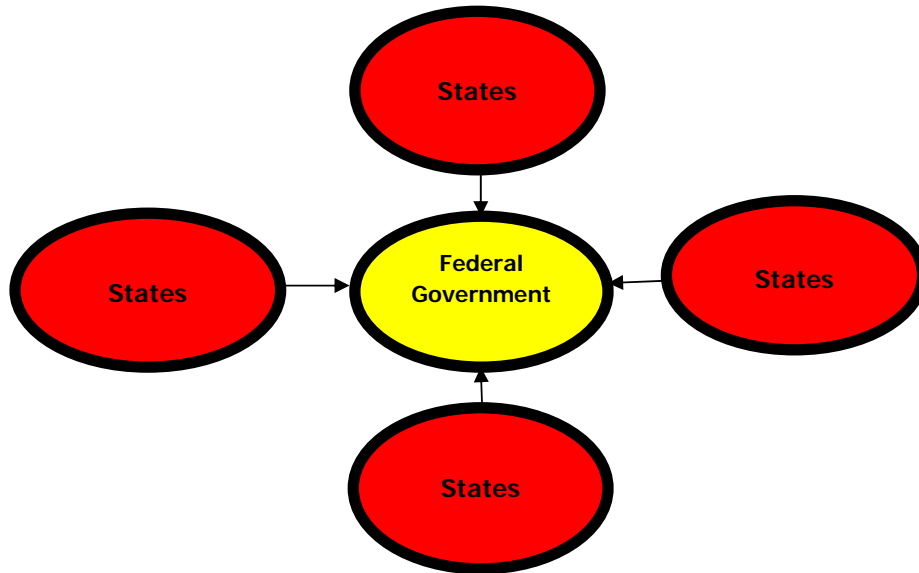
reorganization of states in India. It recommended some basic principles of reorganizing of the states as preservation and strengthening of unity and security of India, linguistic and cultural homogeneity, financial and administrative efficiency and the successful working of the 5-Year Plans. Later, as per the State Reorganization Committee 1956, the states were reorganized in terms of linguistic, cultural homogeneity and geographical contiguity. From 1947 to 1950, many princely states were integrated with neighboring provinces and some integrated with centrally administered units. On that basis, demands came from Orissa, Andhra, Maharashtra, Gujarat and later Haryana, Himachal Pradesh, Punjab and Assam for separation (Sarangi & Pai 2011).

These demands were raised continuously due to their economic backwardness and for becoming sub-regions within larger states. For instance, the Bodo movement arose to make Bodo as the language of education and to enhance economic development. The movement for separation of the Hyderabad-Karnataka region in Karnataka was due to its cultural distinctiveness and economic neglect (Assadi, 1977). Similarly, in West Bengal, the Nepalese have been demanding a separate state of Gorkhaland due to their cultural distinctiveness and economic marginalization. Thus, as many as 30 such demands are there before the Indian Government at present (Majeed 2003; Sarangi 2010). All these issues gave space for more demands to focus on better governance, equitable economic growth, increase in participative political order and development at the sub-regional level. Based on new state demands, several regional and sub-regional issues/challenges are also emerging such as the preservation of forests, welfare of tribal communities, emergence of new regional elites, rise of other backward castes and increase in the number regional political parties within a state. This is evident from the several demands for smaller states of Vidharba (Maharashtra), Saurashtra (Gujarat), Bodoland (Assam), Coorg (Karnataka), Harit Pradesh (Uttar Pradesh) and others (Ibid, 2011). The issue of state formation has become a part of Indian political system today due to the emergence of coalition politics in India. The party that does not get the majority always depends on the support of regional parties to form the government at the Centre. The regional parties lobby with the central parties for favors in the regional development process. India has been a great example of coalition politics since 1970s under the Prime Ministership of Morarji Desai and after 1990s under the Prime Ministership of Atal Bihari Vajpayee and then during the UPA regime. The political parties do not want to lose their vote banks in terms of political power and they use the issue of state formation as their political agenda to obtain political positions. However, the Indian political system has started its journey towards cooperative federalism. It could be a significant tool or instrument for creating opportunities for national as well as regional development. Nevertheless, it is evident from the Karnataka and Andhra Pradesh Human Development Report that the two study areas have suffered discrimination many grounds. If this situation continues, then the objective of cooperative federalism and the growth of the nation generally and regionally, in particular, will not be realized. Hence, the issue of state formation has been a core area within the Indian political system.

## Theoretical Framework

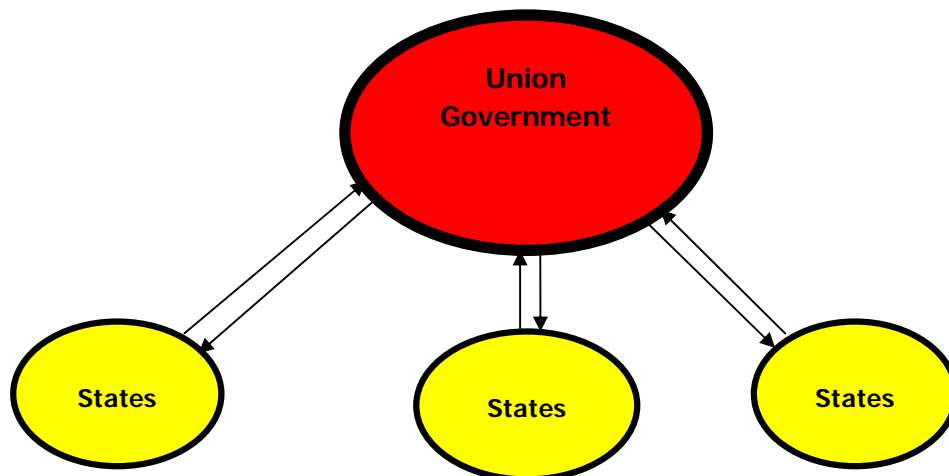
The Indian political structure is neither strictly unitary nor purely federal. This is in keeping with the diverse socio-cultural, economic and political values and aspirations of the people. Indian federalism is a 'holding together federalism' rather than a 'coming together federalism' (like in USA). With regard to theories of federalism, there is no specific federal theory that can be widely used or expounded. Denis de Rougement added that federalism is 'essentially an attitude, which comprises four basic principles: diversity, interdependence, responsibility and efficiency' (Rougement, 1978). Burgess and Gagnon (1993) pointed out that federalism is the accommodation of human associations in which unity and diversity are balanced and maintained. For Stevenson (2000), federalism protects minorities. La Forest (1998) argues that federalism is a form of partnership and friendship. Tully (2001) pointed that federalism is an expression of democratic practices, which encourages autonomy within regions. Based on these definitions, it is clear that they are very vague in nature. Therefore, it is also argued that there can be two broad types of approaches, such as: the mono-national and multi-national approach. In this regard, many modern scholars have argued that there is no particular and unique or alternative theory or theories for all federal studies. In this context, Rekha Saxena (2011) has stated that each society or country settles for a model that suits its own perspective and need. She has also highlighted that whether a federation should be executive-dominated, parliament-centered or judiciary-driven depends on its society, culture, history, geography etc. Burgess (1993) also opined that the conceptions of federalism differ from country to country and more importantly among people and political actors within a country. The idea of federation evolves out of the socio-political and economic context. The scope or idea of federalism develops out of concrete reality. Thus, sometimes it is termed as two-level federalism or, third-level federalism, or fourth-level federalism and so on. The Indian constitutional framers aimed at a federal structure that would politically be accountable and effective in nature by respecting the diversity and heterogeneity of Indian society. Thus, independent India has incorporated the principles of both parliamentary as well as presidential federal system. However, society is very dynamic and changes take place within the societal contexts that lead to changes in the text of the constitution and vice-versa. Thereby, both the texts and contexts play major roles in shaping federalism. This is always based on the time and space/circumstances of the political system. Therefore, the dynamism of the situation, contexts and reality matters. It is very clear to see that how the Indian federalism is able to cope with demands of various states. In addition, the so-called 'Westminster Model' needs an empirical explanation as to how it is successful in the Indian context to accommodate various demands for new states within the federal structure. It can be shown through some of the diagrams below:

**Diagram-I: Coming Together Federalism (US Model)**



As mentioned above, the 'Coming Together Federalism' has been seen in the US as well as in European countries. In this diagram, the constituent states or sub-units, in order to realize their autonomy or for international security, wanted a federal Centre to protect them from all the possible aggressions and protect their interests. Thus, the states of the US came together by transferring their power to form a federal Centre. This process has been termed as the Coming Together Federalism. However, this is not the case in the Indian model or federation.

**Diagram-II: Holding Together Federalism (Indian model)**

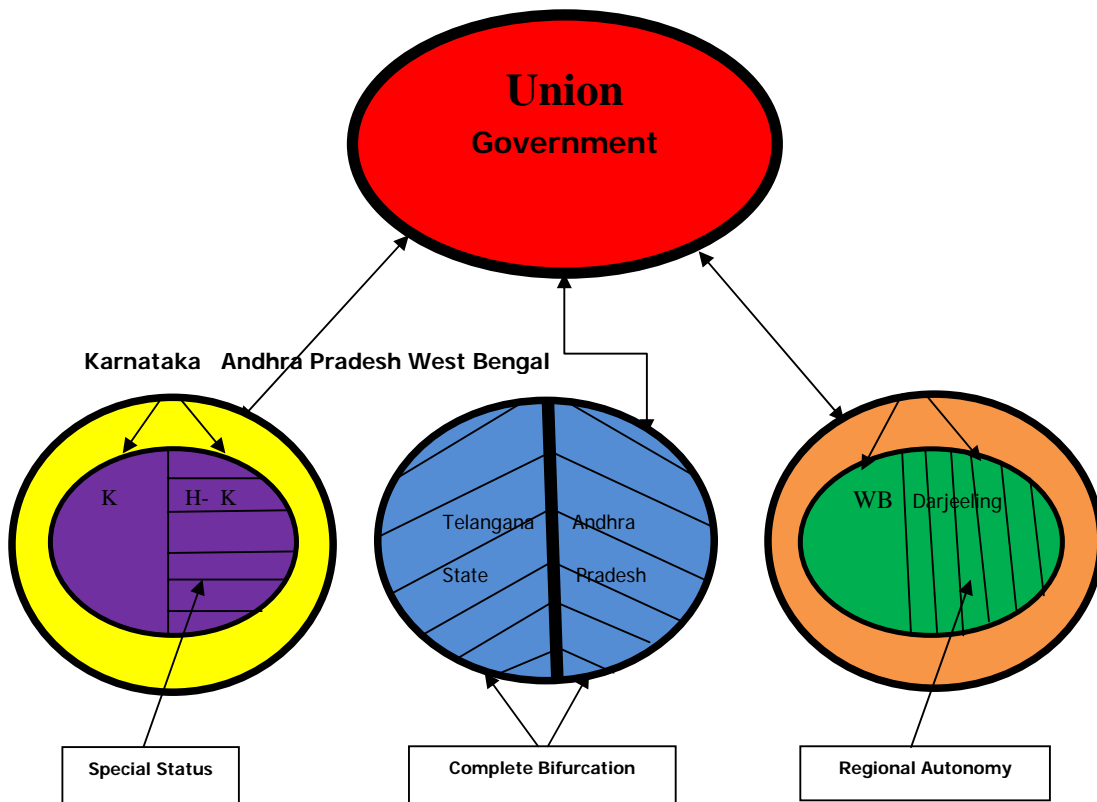


The above diagram explains that the Indian model of federation is not following any of the particular models of the western world. Many scholars have argued that India is not a federal state. Rather, it is a quasi-federal state because it includes both the principles of unitary and federal systems.



In a diverse Indian society, the framers of the constitution faced many difficulties in deciding which type of governance structure will protect the interests of the society and the nation. For this reason, they opted for the 'Westminster Model' through which Indian federation holds the constituent units irrespective of their diverse nature, culture and identities. Now, many changes have been observed by academicians and policy makers in the process of federalization. This is due to the nature of demands of the state as well as the emergence of several political parties at the regional level. So the modern scholar questions in the context of state formation and its problem-solving methods within the Indian federal model.

**Diagram-III: Illustrations of Indian Case: After Small State Demand**



The above diagram shows three different examples of the Indian federalization process and how the Union Government has responded differently to them. The demand for new states in India has been very active since independence. This is largely because of the question of autonomy, regional imbalance, lack of political representation, unequal economic growth and disregard for ethnic values. The nature of federal development particularly in the state formation is being questioned on the aspect of governance reliability, institutional accountability, economic viability etc. Thus, in the case of Karnataka, the union government has given special status to the Hyderabad-Karnataka region. In Karnataka, the Hyderabad-Karnataka region has demanded a new state because they are backward in terms of economic opportunities as well as social sector development, i.e. health, education etc. In the

case of Darjeeling in West Bengal, the Indian government has assigned regional autonomy to this region without dividing the state. This demand has come due to socio-economic backwardness and regional political inequality. In the case of Andhra Pradesh, the state has been divided into two states: Telangana and Andhra Pradesh. In the case of Telangana, it was a long-standing demand for a new state within the Union owing to lack of political representation, socio-economic backwardness and territorial under-development. Therefore, in these three different cases, the government of India solved the problems differently to meet these demands.

## Review of Literature

**Menon (2014)** has given a detailed account of how the Indian states were integrated irrespective of diverse culture, tradition, ethnicity, region, geography and language. In this process, the contribution of many political leaders, who always dedicated themselves to consolidate India in all respects, was very significant. Their focus was largely on the classical integrative approach to Indian federalism.

**Ziblatt, D (2004)** argued that the state builders and the political reformers always needed a federally organized political system. He also added that the state's main objective is to secure public good such as common security and the national market. He was also of the view that when the federal state was founded, the dilemma emerged. According to him, a state formed under the federal structure or principles is only based on coercion and compromise. As per the given argument, the state builders needed a federally organized political system because of the diverse nature of Indian society and its political system and should be united under a covenant. This would ensure smooth governance as well as preservation of law, order and security without ethnic, religious, communal or linguistic conflicts among various groups of the society. However, the preservation of market interest creates obstacles for regional development due to the profit motive. Moreover, these are not affordable by the weaker sections of the society. Thus, the market dominates both the state as well as the state's policies that favored them. The emergence of the federal polity has not created any problem; rather it aims at providing the autonomy, economic opportunities to the people and authority to the sub-national governments. Thus, the evolution of federalism in India has given way for the regional government to access their power, authority and ensure proper utilization of the state's resources.

**Sarangi and Pai (2009)** argued that the Indian State Reorganization process was predominantly on the language basis in the 1950s and 1960s. Nevertheless, they have critically evaluated the Indian federation. They also stated that State reorganization can be based on the principles of the size, governance, economic viability and recognition of new identities across society. At present, it could be the new framework for analyzing State reorganization in India. The process or principles of rearranging the Indian states has been problematic since the first State Reorganization Commission (SRC) was constituted. However, today it has many dimensions and the first of these being regional economic development.

**Ribstein and Kobayashi (2006)** analyzed the political and economic aspects of the federal political system. They also analyzed the jurisdictional competitiveness between the Centre and the state in terms of power sharing and resource mobilization and examined the application of economic analysis in the areas of law (corporate laws, environmental law, antitrust law etc.). The author has given a

detailed account of the political and economic aspects. However, it is not clear that the federal governance has given autonomy to the regional units and equal resource distribution among them. This is because; the federal polity revolves around the power relation between the centre and the states. Modern literature debates not only center-state relations, division of power and resource allocation; but also other aspects of the federal structure like socio-cultural and administrative viability.

**Adeney (2007)** explained that the institutional design and the means of ethnic conflict resolution within the federal structures have created tensions in the federal polity in India and Pakistan. In fact, the central level institutions dominate the sub-national institutions at all levels of interaction. These institutions play a major role in implement the policy and schemes at the grassroots level. Within this structure, the unequal treatment and opportunities for the backward communities at the grassroots level creates more disturbances in the locality. In order to find a solution to ethnic conflicts for equal opportunities in the development of the locality, they need to wait for the Centre's approval and orders of the developmental schemes.

**Dosenrode (2010)** proposed an analytical frame to analyze regional integration through the federal theory and neo-functionalism. The author stated that the federal theory and regional integration theory are complementary to each other in terms of regional integration. The author emphasized the positive direction in the process of regional integration, because the federal theory explains that how power, functions and resources should be divided between the central, state and local governments. The federal theory also tries to resolve the disputes and the role of supranational markets, which replace state rules. Thus, the significance of state government is missing completely based on these three aspects of neo-functionalism on the one hand and market dominance in regional development policies on the other. Further, it reduced the role of other social organizations in terms of participation in the development process. This led to movements among various sects or communities. Such movements are the result of centralization of power, the process of conflict resolution and federal process itself.

**Inman and Rubinfeld (1999)** stated that federalism has brought balance between political participation and economic welfare. They concluded that the increase in decentralization would lead to a rise in political participation and the relative importance of economic efficiency. However, the federal process has been questioned as well as discussed in many ways in terms of its nature and functions. This is due to the changing nature of the federal structure in developed as well as in developing countries. It was a dilemma even for our constitutional framers and the State Reorganization Commission. They were afraid of the political instability and the problems of majority vs. minority division among the communities. The federal polity emerged to unite the provinces with one covenant and division of powers within the constitutional boundary. In addition, it had many regional demands for the creation of new states in India. These demands are not rising within the framework of the participatory approach but against the centrist approach of the central government. The demand in all parts of the country has its own implication in terms of culture, region, ethnicity, size, population etc.

**Lobo, Sahu and Shah (2014)** have argued that the federal system has benefited more to India. Particularly, in terms of promoting democracy, strengthening national unity and achieving a fair level of economic progress. With the rise of regional parties and coalitions, states are able to engage in

many spheres of governance. Thereby, the Centre is being restricted to the problems of law and order, foreign policy or fiscal decentralization. The unclear role of the Constitution in furnishing the guidance in matters of center-state issues has been noted. It has been observed that India is still battling many difficulties like human rights violations, malnutrition, gender discrimination, regional backwardness and many more. At present, there are demands from different sections of the society for development and regional autonomy. However, the Centre has a dominant role in all policy and decision-making processes in development at the state level. This has led to the emergence of caste politics, Naxal and tribal movements demanding rights and freedom. These movements are very active particularly in the newly created states and the federal polity has not been able to provide suitable solutions.

**Singh (2008)** insisted that further reorganization of Indian states should be based on a "cosmopolitan model of democracy". This should be anchored in theories of constitutionalism, consociationalism and multiculturalism. The author argued about the cosmopolitan model that how the democratic principle is functioning actually in India. Moreover, Democracy is a concept, which aims at ensuring people's participation and representation in the decision-making process.

**Bagchi (2008)** argued that federalism is facing major challenges from globalization because of the pressures for reformation in the socio-economic and political organizations and in inter-governmental relations among all developing countries. He also said that there are some forces in inter-governmental relations pulling in the opposite direction, some tend to centralize functions; and some tend to decentralize them. However, the biggest challenge for federalism in the coming years would be to respect the plurality of identities of human beings. Globalization has brought change not only in the external but also internal parts of the governance and administrative structure both in developed as well as in developing countries. Of course, the negative implications of globalization have changed the shape of the face of humanity; but it has brought about many reforms particularly in governance and development policies. Societies are, questioning the whole political process and it's functioning in order to bring better governance, regional development and stable political order at the national and local levels.

Most of the above literature state that many issues arise due to unequal regional development. In a competitive globalized world, regional development has been declining and creating problems among the states as well as the backward sections of society. Thus, the demand for a new state has been a debatable concept in terms of unequal opportunities for socio-political values and the regional development at the grass roots level. The proposed research work would focus on the aspect of the state formation process within the Indian federation. There is a vast literature on Indian federalism; but we have taken only those which are the most relevant to this study.

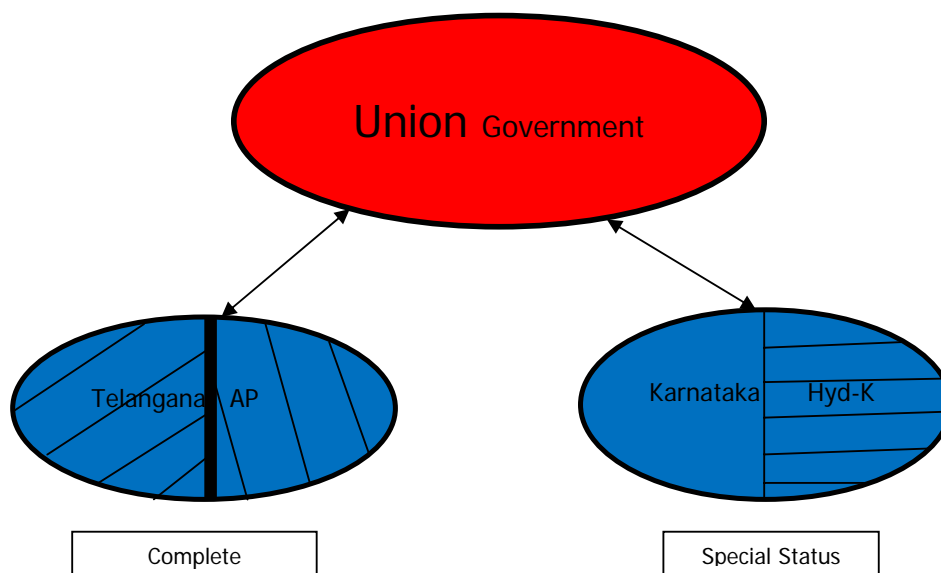
## **Statement of the Problem**

In recent times, the Indian federal polity has been debated in terms of diverse aspects particularly in the process of formation of new states. The principle for the creation of new states in Post-Independent India was based on the language and territory as per the SRC. However, at present, it is focusing on several other dimensions such as administrative accountability, economic development, stable political order and participation of all communities of the concerned states. However, the basis of formation of

states has been a major debate among all the groups of the society. It is also argued by many scholars that the political interests of the party at the center and state play a role in reorganizing the states. On the other hand, the ground realities reflect a need to reorganize their own development in terms of socio-economic and political representation. The people who are poorer or the backward sections of the society, seek some regional autonomy, freedom and equal opportunities to access the constitutional facilities available. However, it is not evident from many scholarly writings in modern India. It is clear from the existing literature that they have largely focused on center-state relations or their interaction in terms of resources and power; but not within the framework of federal development or welfare of the locality at the regional level. This indicates the failure of the governance structure at the regional level is due to increasing demands for new states. Thus, the changing nature of the Indian constitution to the formation of states also differs in its context.

This can be argued from the recent example of formation of Telengana and the demands for Vidharba in Maharashtra and granting of special status to Hyderabad-Karnataka. Andhra Pradesh was formed on the language basis as per SRC, 1956. The Telengana movement came up due to the lack of equal opportunities for economic progress and for development within their region. On the other hand, the demand for a Hyderabad-Karnataka region is largely based on the regional autonomy and economic development. This is due to the low level of social as well as economic development in these regions. In the case of Darjeeling in West Bengal, the Indian government assigned regional autonomy to this region without dividing the state. This demand has come due to the socio-economic backwardness and the politics of regional inequalities in the state of West Bengal. In this context, many issues are being questioned within the framework of the Indian federal structure. Hence, the core point is that the Indian federation has evolved and survived not because of any treaty or agreement but because it was based on consensual debate among the constitutional framers based on the political system and its nature of constitution. The Indian federation is considered as the 'Holding Together Federalism' as states being held together by the Indian Union instead of 'Coming Together Federalism' as the US model. Still, the Indian system of federal structure has been facing many challenges in recent days at the regional level. The demand for a separate state or a new state is made based on various regional issues, such as economic opportunities, political participation, cultural and identity protection. Yet, all these issues are in front of the Indian Government and it is in a dilemma over how to solve them. The structural dimension of Indian federalism is very much partial in nature in terms of state formation subject to political interests. However, the final word on state formation depends on the Union Government and on the political parties that are in power and in opposition.

Diagram-IV: The study Deals with:



The above diagram explains how the federalization process takes place in two cases; one is bifurcation of the state of Andhra Pradesh; and two, special status to a particular region within the state of Karnataka. Diagram-IV indicates how the union federal government has assigned different status in two different states when statehood was demanded for the same possible reasons. On the other hand, particularly for logistical, financial and practical reasons, the West Bengal case has not been included in this study. In the context of above explanation, one needs to enquire the follows:

- Since the origin of federalism in India, it has been following the 'Westminster Model'. It includes both the principles of Parliamentary as well as Presidential form of governance. It aims largely at holding the Constituent Parts or the princely states of the country without separating from the Indian Union. Bengal (in 1903) was divided from Madras and the Bombay presidency and again re-united on language basis. This triggered Indian states to unite one language-speaking people. Thus, the first demand for one language-speaking state came from the state of Andhra Pradesh. Such demands started all over the country to form a state on the language basis. However, the nature of state demands in recent days has changed. At present, the demands are arising out of issues of political representation, socio-economic development and importance of cultural values and so on. In this context, the process and principles of the Indian Union to form the Indian states within a federal set up in the aftermath of independence needs to be highlighted.
- The present federal process has been facing many challenges regarding its methods of creating or separating any state from the ground level. The earlier division of the Indian states was based on the identity as one culture, language and so on. Now the demands for new states are largely based on the development of a locality, equal opportunities, equal representation etc. Therefore, the demands for new states have become more and more vibrant. It has become a major concern for all development practitioners and policy-makers.

India is a diverse society and; it is very significant to study the socio-cultural, economic and political aspirations of the people. It will be easy to understand their daily life style, standard of living. The demands arising within a state. More importantly, it is important to know how they are accessing their rights, freedoms and resources in their regions. In this situation, the problems as well as the driving factors for demands related to federalism must be studied.

- As the demands for new states are increasing day by day, many regional issues are surfacing. In this regard, the role of regional level organizations, civil society groups and political parties is very much significant. Their role and active participation has been largely shaping regional development. In addition, lot of the development studies on states show that there is a growing feeling of regional imbalance among the Indian states. Sub-regional issues have become very important particularly in regional development. Some of the new states are underdeveloped because of the parties that are in power at the Centre. These new states need constant financial as well as administrative assistance from the center to develop. However, the present development scenario among Indian states is not up to national expectation. This proves that there is a need to study the emergence and role of different political parties in the formation of new states.

The above questions can be researched with the help of a methodology design mentioned below: this study will be carried out purposively in a comparative perspective in Telangana State (a state that has already been formed) and Hyderabad-Karnataka region in Karnataka State, which is under demand. The main justification for selecting these states is logistical and financial. It is seen that political and economic aspects have played a major role in achieving such a status in these two cases. However, to fulfill the objective, the study will collect information from primary and secondary sources. In-depth interviews will be carried out in respective states with representatives of local bodies, political parties, NGOs, government officials (administrative experts), civil society members and so on. The secondary sources would include various books, journals and government reports, documents to get a conceptual and critical understanding of the federal structure in India and of the two cases. Thus, the study acquires significance because the Indian federal structure has been facing many challenges in recent times in the process of federalization. In an economically rapidly changing society where regional identity is gaining importance, India has to accommodate their demands in a balanced framework.

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