

THE COMPARATIVE STUDY OF CENTRAL AND STATES GOVERNMENTS RELATIONS

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ABSTRACT

Indian constitution establishes a quasi federal system. It means the outward structure of the government is federal but spirit is unitary. The union is not a league of states, united in a loose relationship; nor are the states the agencies of the Union, deriving powers from it. Both the Union and the states are created by the constitution. In 1967, in eight state the non congress governments came in power and after that the issue of preservation of autonomy of the state was raised. In this unit we will study about the working of the Indian federal system during the 20th and 21st century. The union can pass a law on any of the subjects of the state list, if Rajya Sabha passes a resolution, supported by a majority of 2/3 rd members present and voting, to the effect that, in the national interest, the Parliament should make a law on a subject included in the state list. In other words, the Central Government, the State Governments, the PRIs, the ULBs, and the non-Governmental organisations, the voluntary action groups and most of all, the people at the grass-roots have to be involved in the process of formulation and implementation of the Plans. The equity-promoting role of central planning assumes added importance in the wake of the emerging policy environment in the country as well as globally. With the opening up of the economy and removal of controls, the market forces have been unleashed, which may have a tendency to exacerbate the disparities among groups of people and regions which can be further widened because of the operation of large global players. Similarly, often there is a tendency on the part of the States to allow tariff concessions to various sections. Power tariff is a case in point and many States have been supplying power to various sectors at a price much lower than the cost of generation. A national consensus had evolved at the Chief Minister's Conference for fixing the minimum tariff for agriculture and to move over to a regime of fixing tariffs for recovering the costs. Some States have, however, gone against this consensus and allowed free electricity to agriculture sector.

KEYWORDS- FEDERALISM, URBAN LOCAL BODIES, PANCHAYAT RAJ, CENTRAL, STATE, UNION-TERRITORY, EQUITY, BASIC NEEDS.

INTRODUCTION

Indian constitution establishes a quasi – federal system. It means the outward structure of the government is federal but spirit is unitary. In case of national or economic crisis it is transformed into a unitary system. Federal government is stronger than the regional governments. In this unit we will learn about nature of Indian federal system.

Indian federation is the product of an evolutionary process. The Government of India Act, 1935, introduced the element of federalism in view of the fact that India was a country of sub continental size. It is multi religious multi – racial and multilingual nation. In view of this reality the Indian constitution adopted federal system.

The word “**Federal**” is nowhere used in the constitution of India. Article 1 merely states that “**India, that is Bharat, shall be a union of states.**” About the nature of Indian Federal system

Dr. B.R. Ambedkar clarified that “it established a dual polity with the union at the centre and the state in the periphery, each endowed with sovereign powers to be exercised in the field, assigned to them by the constitution.

The union is not a league of states, united in a loose relationship; nor are the states the agencies of the Union, deriving powers from it. Both the Union and the states are created by the constitution.

The one is not subordinate to the other in its own field; the authority of one is not subordinate to the other in its own field; the authority of one is co ordinate with that of the other.”

There are different parties in power in the center and state. There is no co- operation between two. The reality of Indian federalism is conflict as well as co- operation between two sets of government.

There is no denying of the fact that the Indian constitution makers intended to establish a strong center to preserve the unity and integrity of the Indian state. Their intention has been made clear by centralizing tendencies imbibed in the constitution itself. Till **1967** in spite of a strong centre, the state did not feel that their autonomy was jeopardized.

In **1967**, in eight state the non congress governments came in power and after that the issue of preservation of autonomy of the state was raised. In this unit we will study about the working of the Indian federal system during the **20th and 21st century**.

In a vast country like ours, the spirit of co-operative federalism should guide the relations between the **Centre and the States** on the one hand, among different States and between the States and the **Panchayati Raj Institutions (PRIs)** and the **Urban Local Bodies (ULBs)** on the other.

The essence of co-operative federalism is that the Centre and the State Governments should be guided by the broader national concerns of using the available resources for the benefit of the people.

Co-operative federalism encourages the Government at different levels to take advantage of a large national market, diverse and rich natural resources and the potential of human capabilities in all parts of the country and from all sections of the society for building a prosperous nation.

Co-operative federalism makes it possible to raise all the available resources by the Government at different levels in a co-ordinate way and channel them for use for the common good of the people.

This requires a harmonious relationship and co-operative spirit between the Centre and the States and among the States themselves. While a healthy competition among the States for evolving efficient and socially desirable policies and programmes is welcome, any competition which nullifies each other's advantages in development and erodes the resource base of the States should be avoided.

Co-operative federalism is intended to ensure a minimum bundle of basic services and a nationally acceptable level of living for all the people of the country.

Center-state Relation:

Indian federal system is quasi-federal. It is federal in its form and Unitary in its spirit. Even the pattern of the Union state relation defined in the constitution accounts for greater centralization. Hence, it is a cause for the grievance on the part of the states.

Centre-state Relation are as follows:

- 1] Legislative Relation
- 2] Executive and administrative Relationship
- 3] Financial Relationship.

LEGISLATIVE RELATIONSHIP BETWEEN CENTER AND STATES

There is three List of Legislative Items:-

- 1) Union List
- 2) State list
- 3) Concurrent list.

A. Union List consists of 97 subjects of all India importance.

The most important subjects in the union list are Defence of India, Naval, Military and Air forces, Atomic energy, foreign affairs, Railways etc.

The subjects of the Union List are placed under the exclusive jurisdiction of the Union government. State list consists of 66 subjects, which are primarily of regional interest.

The state governments have full authority to make laws on any of the subjects mentioned in the state list, e.g. public order, police, prisons, local government, public health etc Concurrent list consist of 47 subjects.

The subjects included in the concurrent list have varying degrees of local and national interest. Hence both the union and states have powers to make laws on any of the subject included in the concurrent list. In case of a conflict between the union law and the state law over the same subject, the union law would prevail over the state law.

B. Residuary power with the union:

All the subject and power are divided into three lists. But there may be some subjects who might not have been included in any of the above three list. Such subjects are known as residuary powers .In U.S.A. and AUSTRILA the residuary powers are left to the states and not to the Union. Hence, there the state are stronger than the center.

But in India the residuary powers are left to the union. It made the union stronger than the states.

C. Power of parliament to legislate on state list in the National Interest:

The union can pass a law on any of the subjects of the state list, if Rajya Sabha passes a resolution, supported by a majority of 2/3 rd members present and voting, to the effect that, in the national interest, the Parliament should make a law on a subject included in the state list.

D. National Emergency:

When proclamation of a national emergency is issued by the President, the scheme of division of powers is set aside. Union Parliament has authority to pass a law even on those subjects, which are included in the state list. Thus in case of emergency the Indian constitution becomes unitary.

E. On request from state:

The union can pass law on the state list, if two or more state legislatures so desire and pass a resolution to that effect. Such a law passed by the parliament, will be applicable only to those states, which have asked for it. Such a law is valid for a period of one year.

F. International Treaties and Agreements:

The parliament has power to make laws on any of the subjects included in the state list to implement any international treaty. It should be noted that no other federal constitution has such a provision.

G. During president's rule:

When the president issues a proclamation of the failure of constitutional machinery in the state, he may declare that the power of the legislature of the state shall be exercisable under the authority of the parliament.

H. Power of parliament to legislate for union Territories:

The distribution of legislative and executive power does not apply to the union Territories, for which, the parliament is empowered to legislate on any subject included in all the three list.

The relations between the Centre and the States in political, economic, financial and administrative spheres have been periodically reviewed.

The Administrative Reforms Commission and the Sarkaria Commission were appointed to review the whole gamut of relations between the Centre and the States and to recommend measures, including changes in the Constitutional provisions, to harmonize the relationship between the Centre and the States.

While the Government has accepted and implemented several recommendations of the Administrative Reforms Commission, the recommendations of the Sarkaria Commission are under consideration in the **Inter-State Council (ISC)** which is trying to reach a consensus on various issues.

Out of the **247** recommendations of the Sarkaria Commission, the Inter-State Council has taken a decision on **91** recommendations. These recommendations pertain to All India Services,

Administrative Relations, **Deployment of Union Armed Forces, Agriculture, Forest, Food, Civil Supplies, Mines and Minerals, Trade, Commerce, Mass Media** etc.

The re-activation of ISC has opened a new chapter in the Centre-State relations and provided a useful forum for building a common national approach on various issues.

Formulation and Implementation of Plans

In the sphere of planning, the balance of decision making process tilted more towards the Centre during the early years of planning. This was probably inevitable as there was lack of adequate experience in the formulation and the implementation of Plan programmes at the State level.

No doubt, planning from the grass-roots level has been emphasised from the very beginning, but its implementation has been sporadic and tardy.

Even so, the Planning Commission encouraged **District Planning Committees (DPCs)** and Taluk level planning process from the Fourth Plan.

Subsequently, a significant step was taken through the enactment of the **73rd** and the **74th Amendments to the Constitution in 1993**, which conferred a Constitutional status not only on the PRIs and the ULBs but also on the DPCs.

It is now fully realised that the spirit of co-operative federalism should get reflected in the strong encouragement given to participative planning processes.

In other words, the Central Government, the State Governments, the PRIs, the ULBs, and the non-Governmental organisations, the voluntary action groups and most of all, the people at the grass-roots have to be involved in the process of formulation and implementation of the Plans.

It is realised that the process of democratic decentralisation can have true meaning only when sufficient autonomy and freedom is available to the States as well as to the PRIs and the ULBs in the formulation and the implementation of the Plans.

At the same time, autonomy pre-supposes maturity in decision making and responsibility in the use of national resources. Decentralisation of the process of formulation and implementation should, therefore, ensure accountability.

Transfer of Centrally Sponsored Schemes

Another issue which has been cropping up from time to time in the relations between the Centre and the States pertains to the **Centrally Sponsored Schemes (CSS)**.

The CSS are being implemented right from the beginning of the First Plan. When they were conceived, they were welcomed as they were intended to serve certain specific national goals. One classic example of CSS, which has made a far reaching impact, has been the introduction of HYV seed.

This ushered in the Green Revolution in the country. But the number of CSS has grown over the years and they have made deep inroads even into the spheres falling within the domain of the States.

There have been efforts from time to time for transferring the CSS to the States along with the corresponding funds, but not too much avail. A review undertaken by the Planning Commission showed that in **1995-96** there were **182 CSS** under implementation with the Central funding of the order of Rs. **16,000** crore.

This level of central funding is even more than the normal Plan assistance given to the States for the State Plans.

In principle, the CSS should be confined to schemes of an inter-State character, matters impinging on national security, selected national priorities where Central supervision is essential for effective implementation and multi-State externally financed projects where the Central coordination is necessary for operational reasons. Except for such schemes, all other schemes should be transferred to the States along with the corresponding funds.

A detailed exercise has been done by the Planning Commission to identify the schemes which could be transferred to the States in the light of the above approach.

Equity-Promoting, Holistic and Coordinating Role of Central Planning

While the question of greater autonomy to the States in the process of development planning is considered, the holistic, equity promoting and coordinating role of central planning cannot be over-looked.

The role of central planning has to be seen not as a constraint to the State's autonomy but as a necessary complement to decentralized, flexible and cooperative mode of development planning.

The equity- promoting role demands that greater efforts are made to remove the gaps in the provision of BMS, the level of development of rural agricultural hinterland and infrastructure so that no region or sub-region and no group or groups of people remain deprived of the fruits of development and every region and all people at least reach a minimum standard of living.

The equity-promoting role of central planning assumes added importance in the wake of the emerging policy environment in the country as well as globally. With the opening up of the economy and removal of controls, the market forces have been unleashed, which may have a tendency to exacerbate the disparities among groups of people and regions which can be further widened because of the operation of large global players.

As the economy gets integrated more and more with the global economy, the Centre may be required to play a stronger equity-promoting role and to secure sufficient space for all the federal units to work out their own strategies of development without being overtaken by global regimes or forces.

The Centre would also be required to ensure suitable macroeconomic policy framework for the growth of economy for meeting the aspirations of the people. A judicious balance on the part of the Centre between decentralisation and autonomy on the one hand and intervention to protect the interests of the weak and to provide space for autonomous decision making on the other is required to sustain the faith of the States in the philosophy of co-operative federalism.

Inter-State Relations

Harmonious and cooperative relations between different States are as important as that between the Centre and the States for the healthy functioning of our federation.

Various problems have been cropping up in inter-State relations from time to time. On the one hand, there are problems like increasing competition among the States and on the other, there are disputes over sharing of river water etc.

With the dismantling of controls and greater freedom for the location of industries, the competition among the States for attracting industries and other economic activities by offering incentives has intensified.

While a healthy competition among the States for providing better and efficient services is to be welcomed, the practice of granting tax rebates and subsidies need to be seen in the right perspective of whether they lead to national welfare.

Instances are not lacking where the States have joined a sort of a race in granting sales tax and other rebates for attracting new industrial units.

This has affected the resource position of the concerned States without commensurate benefits, because in so far as the same concessions are allowed by a number of States, these concessions do not remain the main guiding factor for the location of an industry and other important considerations like efficiency of services and infrastructure facilities may become more important.

Similarly, often there is a tendency on the part of the States to allow tariff concessions to various sections. Power tariff is a case in point and many States have been supplying power to various sectors at a price much lower than the cost of generation.

A national consensus had evolved at the **Chief Minister's Conference** for fixing the minimum tariff for agriculture and to move over to a regime of fixing tariffs for recovering the costs. Some States have, however, gone against this consensus and allowed free electricity to agriculture sector.

This has not only put the financial condition of the **State Electricity Boards** in a precarious position but also created problems for the neighboring States where vociferous demands have been made for similar concessions.

Populist measures have a tendency to spread because once they are granted by one State, pressure builds up in the neighboring States for allowing the same concessions. Similar is the position regarding the administrative charges for other services like irrigation and water.

Despite various Commissions recommending minimum rates for such services, so that at least O and M costs are recovered, many States have not implemented these recommendations, depriving them of an important source of revenue and putting their financial position under great strain.

It is essential to have a national consensus regarding such issues like harmonization of tax structure, minimum tariff for certain services, cap on the level of subsidies and facilitation of inter-State trade flows.

It is necessary that all the States should fall in line for implementing mutually beneficial policies.

CONCLUSION:

Legislative relationship between the union and the states shows that the Indian constitution has created a federation with a strong union and weak states. Another important problem that keeps cropping up time and again is in respect of share in natural resources like river waters which has given rise to severe tensions and prevented optimal utilisation of such resources. There is a need for evolving a national policy on this issue and for putting in place a suitable mechanism for resolving such disputes.

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