



Recent Trends in Centre-State Relation

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Abstract

This article seeks to examine the recent trends in Centre-State relations in India after its independence in their various manifestations with time and circumstances along with context of issues. The geometry of the character of unfurling the constitutional potential, the several moments of reformulation, rejuvenation and rethinking of the quasi-federal processes and institutions and also the challenges presented by these changing scenarios constitute the tasks attempted in this paper. The articles recognises the fact that recent trends of Centre-State relations cannot be defined in terms of temporal shifts alone. Issue specific and space variations give important explanations for disjunction and continuity. Further, it makes a proposal that Centre-State relations cannot be seen in a uniform vertical frame alone. As all states do not work as a homogenous entity with the Centre, reading variety in relations of different States with the Centre and mapping their nature to understand their relations with the Centre becomes important. Additionally, since states do not work homogeneously, different states have their own agreements and disagreements over various issues related to different states, therefore may bear varying patterns of relations with the Centre.

Keywords: centre-state relations, geometry, reformulation

Introduction

A brief overview of the Centre-States' relations' Constitutional framework

Following intense and long deliberations in the Constituent Assembly, the Constitution finalised the name "Union of States" to define the power arrangements and the structure of political organisation. Some political commentators and Constitutional experts described India as a 'semi-federal' or 'quasi-federal' state since the Constitutional arrangements gave clear signs of inclination towards a strong Centre. India was a federation without strong financial or legislative position of States or provision of dual citizenship. It also allowed a Constitution amendment procedure and unified judiciary and an integrated civil service. The Constitution empowered the Centre to admit a new State, decrease the area of a State change the name or boundary of a State without taking the views of any State (Article 2 and 3). Since 1957, the number of States has doubled. The provisions in Constitution related to distribution of financial, executive and legislative powers made the Centrist thrust of Indian federation quite evident. The Union, State and Concurrent Lists define the exclusive or concurrent jurisdictions to make laws. expenditure duties are also defined by these lists, respectively. Thus, exclusive jurisdiction is enjoyed by the Centre on issues included in the Union list along with the residuary issues. States can make laws on the issues included in the State list and Concurrent list. But the will of Centre will prevail in case of any conflict on the issues contained in the State and Concurrent list. In some conditions, the Constitution strongly backs the Centre by allowing it to legislate on issues contained in State list. Any Bill passed by the State Assembly can be reserved by the Governor for President's consideration, who can retain it for an indefinite period.

The executive powers of Centre and States are co-extensive. However, the Constitution limits the power of the exercise of executive power so that it does not impede or prejudice the exercise of executive powers of the Centre. The Constitution empowers the Centre to give directions in this regard to the States. Emergency can be invoked by the Centre if these directions are not complied with. In relation to any treaty or agreement, Article 73(1) also provides Centre the authority and jurisdiction to exercise executive powers. The Article also provides that the States can have executive powers only, regarding issues contained in the Concurrent list.

The financial powers provided by the Constitution also shows a clear asymmetry between the functional responsibilities and the taxation powers. The States have more functional responsibilities whereas Centre has been assigned with higher revenue potential taxes. Article 292 and 293 regulates the borrowing powers of States and Central Governments. Without the prior consent of the Union Government the States cannot borrow from Sources outside India.

An uneven positioning of the states is also evident. States are quite diverse interns of demography, geography, natural resources, culture and language and connectivity with Indian mainland. Some of this variety is magnified in the political field, as, for instance, the States have unequal representation in the Parliament due to the criteria of acceptance of population in determining the number of representatives of a State in both houses. However, few other variations were addressed through a provision, for example, by giving special powers and status to Union Territories and some States in recognition of their different conditions.

It is essential at this point to note that despite the elaborate provisions of Constitution to settle the Centre-State relations in India, the exact dynamics of federal relations in India have

not remained fixed into a rigid pattern based on the Constitution. It has been amended often to change the specifics of exercise of power by Centre and State. Very significantly, the Constitution was amended for provision of a three tier governance at local level, for sharing power and responsibilities. Moreover, arrangements were also made from time to time for the administration of States that faced special scenarios.

The States' autonomy has undergone both constriction and expansion in particular fields of activity.

Observation of Centre-State relations after Independence under the umbrella of public policy suggests the presence of various degrees of (a) cooperation - for security, economic development, problem solving, political power (b) conflict - over policy, resources, projects, political power etc. (c) competition - for resources, investments, projects, political support (d) dependence - for technical know-how, policy, security, resources, political support (e) autonomy - for political space, economic policy, development, socio-cultural identity (f) innovation - for cooperation, consultation, problem solving.

It is important to specify here that federal setup worked more or less uniformly for almost all states on particular issues, leading to common concerns and demands or resistance. It is obvious that these worked out differently for different states based on their varying conditions, which led to their battle to benefit. In some situations the few states worked hand in hand for their common interests on particular issues. The binding factors emerged from their common security, economic or environmental concerns. Centre-State relations' variety was also mediated by (a) imperatives of power and party configuration (b) interest configurations and economic conditions (c) public pressures and political mobilisations (d) foreign relations and external factors. These factors worked in support of their position on various other parameters.

(A) Imperatives of power and party configuration - Political parties and their position in domains of power at the State and Centre

Dominant politics and confrontation -many issues of concern to centre and state could be negotiated within party framework.

There has been decline in the dominance of congress party in many states and a rise in opposition ruled states, confrontation has come to the fore. An analysis of the use of provision points out that of the 98 times it has been invoked till then, about 13 cases of possible misuse were such in which defections could have been alleged to be result of political manoeuvre.

Political factors have been responsible for conflict over the appointment and dismissal of governors when a new government took charge at the centre.

The demand for restructuring the centre-state relationship has been gaining the pace since 1967 when congress party lost elections in 9 states as for example:-

- a) Setting up of the Rajmanna committee by DMK government.
- b) Memorandum on centre -state relations submitted by Left Front Party of West Bengal in 1977.

The centre did respond to the growing demands by setting

Sarkaria committee to look into the issue which gave 247 recommendations out of which 179 have been accepted till date.

Also the second commission on centre Panchhi commission was appointed to examine the persisting and new issues that influenced this relation.

Alliance politics and regional forces

These relations of centre and state has changed considerably due to multi party coalition government and alliance politics in 1990s, which made these alliance parties to become more powerful and bargain with centre whereas, leaving the opponents resort to confrontationist approach on issues of common concern.

There has been a rise in the fragmentation of use in regional-cantered groups, many of them organised around a leader who left the national party-Bihar congress, Trinmool congress, Lok shakti party etc.

It has enhanced the negotiating capacity of states, and reduced the capacity of centre to ignore the views of state. Also, there is a jump in the scope of policy negotiations on those subjects which do not fall in state or centre jurisdiction.

The era of coalition government has enabled some states to influence foreign policy decisions, which are on subject of Union list.as for example the opposition for signing of the Teesta water accord between India and Bangladesh by West Bengal CM Mamta Banarjee although the union has treaty signing powers.

The Prominence of issues

Occasionally there has been a Issue based support of the parties even during coalition governments, as, for instance, when parliament unanimously adopted the amendments to the unlawful activities prevention act and voted the National investigation agency act, 2008 after the events of 26/11.

(B) Economic Conditions and Interest configurations

State has always been critical of the uneven financial position of centre and states since 1950s, 10-12 per cent of the central revenue was of state. By 1990s, it grew to 30 per cent and remained around it. But the memorandum submitted to the Thirteenth finance commission, the state demanded to increase the share to 50 per cent. The twelfth finance commission raised the share to 18.87 per cent in an effort to advance equalisation. The fourteenth finance commission increased the share of the state from 32 per cent to 42 per cent.

Due to this economic reforms in the country, there has been a shrinking of the share of public sectors investment. State has the right to mobilise foreign private investment and resort market browsing but there has been quantum jump in allocations for centrally sponsored schemes, leaving state with reduced space to address their priorities.

Pleading for special status

It is not surprising that state continues for financial and policy battles with the centre and centre is inclined to provide support on its own terms.

Some states has been more interested in increasing their share of resources, and pleaded on grounds of their backwardness that they needed special support from the centre.

All the centrally sponsored states are being funded on 90:10 basis, in case of North East states but Uttarakhand is denied in funding 38 per cent of centrally sponsored schemes.

Contempt of conditionality's

Some states have been more critical for the condition attached to the resources transfers. The large number of central schemes as well as Planning Commission's discretionary assistance came in for considerable criticism from the states that did not get these, as also, some others. "The bulk of the outlay on the thirteenth so-called flagship programmes was earlier provided to the States as untied.

Some states have been concerned more about the burden on them to provide matching resources to utilise the central assistance, as, this led to scarcity of resources for programmes to meet the local aspirations.

States like Arunachal Pradesh wanted resources for providing State government a share in equity for the projects being developed as joint ventures with PSUs or independent power producers, in which they would otherwise forego State government ownership for lack of resources.

Some CM have been critical of the government's thrust in the 12th plan on direct cash transfer to target population. This mechanism will not work for certain schemes like the Public Distribution System and fertilisers subsidy, whereas ensuring availability of food grains and fertiliser is much more crucial than transferring cash. It is almost as if the Central government is trying to abdicate its responsibility and just throw money around, instead of addressing real issues of availability.

Without setting up such a minimum backbone of banking infrastructure, implementation of direct cash transfer scheme is fraught with serious last mile delivery risks.

Issue of disparities

State has also been vocal about the discriminatory effects of policy on the position of rich and poor states. The challenge of 12th plan is to enhance the regional disparities particularly those of widening gap between more developed and less developed states, and to mobilise adequate resources from various sources.

The discriminatory effect of policies have often been emphasised in the context of natural resource endowed States and the consuming States, the argument runs that several Central policies and institutional arrangements have adversely impacted, and continue to adversely impact, the less developed states that have rich natural resource endowment.

The less developed States could not avail the location advantage and thus lag behind rich State.

Royalty delay and distortions

All mineral rich states have complained that they have not been completely able to reap the full benefits of their endowments because of distortions in, and delayed implementation of, mineral royalty policies.

Mining companies have run away with super normal profits while the Ministry of Mines have been dithering about revision of royalty structure.

This super normal profit is visible to Ministry of Mines but it is doing nothing.

These royal states are regretting for their dependence on Government of India. They can't use their own resources for their own equitable uses and have to follow Central Laws.

Compensation matters

It is noteworthy that various central legislations like Environment Protection Act, Forest conservation Act, and other national policies enforcement cost is entirely borne by States.

They are not compensated for the cost of compliance and the revenue loss on account of compliance.

This issue was raised by Punchhi commission which demanded that the additional liabilities on States on the various counts should be suitably compensated for which a mechanism needs to be institutionalised.

Economic reforms have often been projected as inclined towards autonomy of States by enabling them to raise private investments and directly negotiate even with foreign capital.

There is, however, a greater convergence of concerns on issues like compensation for the loss to be incurred on account of introduction of Goods and Services tax.

(C) Political Mobilisations and public pressure

It is defined as how specific States engaged with issues and eventually affected the policy choice of centre too. It has been an important mediating factor in the final outcome of State.

Identify assertions and regional mobilisations have played a role in the growth of agitational politics in some States. This also resulted in rise of regional parties around the issues which raises concerns that converged with the concerns of ethnic and social identity groups.

Repression of movements for autonomy, statehood continued for long and later disappeared but in many cases, the public pressure persisted and made Centre or State accept the position of other.

State opposition to Central decisions gained strength from public pressures and even a powerful Centre changed its position under such pressure.

Rapid increase in mobilisation in society on issues of identity and interest as well as growing public awareness of rights have led to increasing resort to protests and resistance politics on many policy issues.

Social media has engaged the youth with policy debates towards mobilisation.

There has also been instances of States to block it despite the visible public support that the issue carried. The issue of bauxite mining in Niyamagiri hills in Odisha invited opposition in support of the tribals who were displaced.

At many instances, in the absence of public mobilisations and protests, process dynamics varied and specific interests configurations prevailed through quieter forms of lobbying and, this resulted in different policy pathways.

(D) External factors and Foreign Relations

The external factors play a key role in shaping the Centre - State relationships. It has been evident not only in the growing role of foreign capital and agreements for assistance in various sectors and projects and the obligations attached.

It is also evident in the numerous international and multilateral agreements that are signed by the Centre.

International Commitments

This accounts of signing of international agreements and treaties which has an important role in Centre State cooperation.

Although the Seventh schedule to the constitution, places "Foreign Affairs"

In the Union List (Entry 10), the wide ranging implications of international agreements for the position of states as well as the economic and administrative burden of implementation for the States as well as effect on other aspects of State's economy and politics make it an important concern of states.

Under the Entries 13 and 14 of List 1 and article 253, it is within the exclusive domain of the Union Government to enter into treaties and agreements and to implement them even if the subject matter of a treaty is within State List.

Punch Commission too emphasised that the impact of the Union Executing international treaties and agreements involving matters in the State List was an issue which has caused concern among the States in recent times.

Multilateral Agreements

Policy autonomy has greatly been affected by the external pressures and conditionality's that came into existence.

Rise of environmental concerns and growing threat of climate change, giving rise to a greater need for co-ordinated policy and implementation. Environment protection and climate change issues have been negotiated in international organisations and the agreements signed have wide-ranging implications for the States. While national plan of action on climate change has been adopted, states are under pressure to work in that direction.

Border Issues and Foreign Relations

In States which share international borders the worsening internal security scenario and growing incidence of violence and crime has made way for an increase in the demand for cooperation and support from the Centre towards handling these concerns.

At the same time, the State also wants influence relations with the neighbouring countries either for economic or security concerns or for reasons of public sentiment.

Emerging Challenges

Centre-State relation has been analysed and interpreted by many great scholars and practitioners. The latest commission is Punchhi commission on Centre-State relations with its widening concern and agenda.

It is important to underline a few issues that need to be addressed in the emerging scenario of Centre-State relations.

Complexity of Issues and Overlapping Jurisdiction: Growing complexity of issues on account of globalisation and opening up of the economy, the environment and social dimensions of economic decision- making as well as the technological developments have added to the need of cooperation, both for the Centre and States. The inter-sectoral and multi-level policy making efforts needed for addressing climate change, for instance, make it difficult to place issues as exclusively belonging to a specific level. also, even for conventional issues, States have been complaining of lack of consultation before taking a decision.

Need to Strengthen Institutional Coordination and Consultation:

Centre-State and Inter-State coordination have been an important concern not only for resolving inter-state conflicts but also for collective realisation on issues of common concern. There is a wide range of Institutional handling different aspects of Centre-State handling different aspects of Centre-State relations-Inter-state Council, the National Integration Council etc. they all review policies on specific issues but, their effectiveness in shaping the final outcomes has varied with the overall political context and purpose of such consultations and needs to be seen in the coming days.

The role played by existing institutions needs to be redressed in terms of issues of effectiveness, autonomy, trust and accountability.

Search for Innovative and Principal-centred solutions: Creation of mechanisms for reducing the effects of existing disparities and preventing new forms of these is crucial. this would necessitate a careful effort to rethink development strategies in varied conditions where different states are placed.

Worsening inequalities across the regions not only give rise to problems of large scale migration but also provide fertile ground for violence and protest. it is necessary to remember the spirit of federalism and and it does not hamper the goal to strengthen Centre-State relation.

Conclusion

The article has argued that Centre -State relations in India are established in the Constitutional framework, which adopted the key federal feature of division of powers between Centre and States, yet carried a strong Central bias under normal as well as special circumstance. Much of the future direction of India will depend on the extent to which innovative mechanism is increasing space for States and the third tier government are devised to cope with the growing complexity of issues and centralising thrust of new technologies on the other hand and the constraining effects of resources scarcity on the other hand, while ensuring that the democratic spirit of the Constitution moves towards the deepening of democracy. What is significant is to understand the factors that have contributed to the diverse policy pathways and how the federal framework has worked in the production of these varied trajectories.

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