

Centre - State Relations and it's Affect on Good Governance

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1. Introduction

“Federalism is no longer the fault line of Centre-State relations but the definition of a new partnership of Team India.” Narendra Modi

The quote stated above is said by the Hon'ble Prime Minister of India, Shri Narendra Modi. Through this quote, the message of enhanced cooperative federalism is sought to be conveyed. It states that federal India is no longer a hindrance for better centre-state relations but rather it has given new hope to the mixed efforts of the Centre and states which may be referred to as cooperative federalism.

It is true that in the current times, states have a better role to play. They are included in the process of decision making. The same seems to be rational since they would be able to give a better picture of their respective areas for the reason that India is a diverse country. The two most prominent examples are NITI Aayog and Goods and Service Tax (GST) law. Replacing the older Planning Commission where only the Union had a say, NITI Aayog was implemented by the current government where states have an equal role to play. It also boosts the morale of the states and holds them responsible for better decision making since they are now a part of the process. On the other hand, in 2017, India adopted a dual-structure GST model wherein both the Centre as well as the states has an important role. Both are empowered to levy and collect taxes. Additionally, the Centre also redistributes a part of its taxes among the states.

This way, a better relation of trust and faith can be witnessed between the Centre and the states. Through this research article, an attempt has been made to examine how far the centre-state relations have helped in strengthening cooperative federalism. Further, its impact on good governance has also been discussed.

Concept of centre-state relations

Part XI of the Indian Constitution specifically deals with centre-state relations. It has been bifurcated into legislative and administrative relations. Further, in Part XII, provisions related to financial relations are laid down. All three categories have been discussed in detail hereafter.

Legislative relations

Articles 245 to 255 deal with legislative relations between the Union and the states i.e. the Parliament and state legislatures. It discusses the extent of law-making powers given to the Union and states. On analysing the provisions, it is evident that the Parliament clearly has superseding powers

as compared to state legislatures. The different provisions lay down the subject matters on which they can legislate, the effect of inconsistency between state and national law, residuary powers of the Parliament and many other provisions. It is this chapter that provides for Schedule VII which deals with the Union List, State List and Concurrent List.

Administrative relations

Articles 256 to 263 deal with administrative relations i.e. Central Government and various state governments. Though India is federal yet it has unitary features and thus in Article 256 itself, it is stated that the state governments should ensure that they abide by the laws made by Parliament and do not perform any executive or administrative function in contravention of the same. The Sarkaria Commission urged for cooperative federalism in case of administrative relations between the Centre and states to ensure better relations between the two. The same was important since there often arises the situation of different parties working at the Central and state levels which creates chaos and distrust thereby leading to inefficient administration.

Article 256

This provision makes it an obligation on part of the state governments to ensure compliance with laws made by the Parliament and also gives power to the Central Government to give directions to states as it may deem necessary. This makes administration easier since in the absence of such a provision, there would be conflicts relating to the validity of laws.

Article 258

The provision empowers the Centre to confer and entrust powers to a state even in matters where the Union has executive powers. It is believed that this provision is a tool for encouraging cooperative federalism since it would lead to more decentralised powers leading to a more federalist nation.

Article 269A

This provision relates to GST. It states that in case of inter-state supply, taxes i.e. IGST shall be levied and collected by the Central Government and will be distributed by the Centre to the states. As stated earlier, this is a reformative step as India is one of the very few countries which follow dual structure GST wherein both the Centre and states are involved.

For many states. Moreover, the GST dues of states not being paid by the Centre added to the problem.

In terms of administrative relations, many states felt that there has been discrimination by the Centre in terms of distributing medical equipment and vaccines, though the truth cannot be established.

Further, as regards the legislative relations, states were not consulted in many matters which were stipulated in the statutes; they were bound to follow the orders of the Centre which strained the relations between the Centre and states.

2. Major Findings

- 1) Centre-state relations can be trifurcated into legislative, administrative and financial.
- 2) These centre-state relations have given a boost to cooperative federalism in India.
- 3) In contemporary times, states are also included in the decision-making process which is healthy for the growth of the country.
- 4) Cooperative federalism has had a positive impact on good governance as well as on the country.

3. Conclusion

India has a federal structure but also has huge regional disparities. In this sense, different authority at centre and state was necessary to cater to the needs of the country which would have not been possible if it had been a unitary government. Accordingly, certain provisions of the Indian Constitution provide for centre-state relations. These centre-state relations have been instrumental in developing the country as already discussed above. It has helped in better governance of the country, a better mechanism for administration and inclusion of different groups into the mainstream society.

Moreover, in contemporary times, an active role is played by the state which further leads to better administration. The different provisions of the Constitution have also played an important role since, without these provisions; there would have been a lot of chaos in relation to the distribution of powers between the Centre and states.

To conclude, it is hopeful that the centre-state relations strengthen with time and there is enhanced cooperative federalism since it is an important factor for determining the governance of the country.

References

- [1] https://legislative.gov.in/sites/default/files/COI_1.pdf