

**CENTRE STATE RELATIONS: A DILEMMA DESPITE 75 YEARS OF INDEPENDENCE****Dr. Doma Kishor**

Degree Lecturer, MJPTBCRDC, Dharmapuri.

Email id: domakishor91@gmail.com

Independent India encountered demands for further autonomy and separation from contemporary states, the origins of which were established during the British era. In this situation, the connections between the central and state governments have critical importance. Due to the predominant unitary characteristics in the Indian Constitution, which explicitly designates India as a union of states rather than a federation of states, the Indian state has developed a 'quasi-federal' structure. This arrangement has generated tension between the dominant central authority and the comparatively weaker states.

With the advent of coalition politics, states have assumed a pivotal role, using their regional parties to exert greater influence in national decision-making. States today function not merely as pressure groups but also lead in trade and commerce, progressively assuming a significant role in foreign policy. This paper seeks to elucidate the evolving connection between the centre and the state. The initial section of the chapter provides a succinct summary of the historical context of centre-state interactions, succeeded by an examination of the constitutional framework governing the two in the subsequent section.

**Evolution of Centre-State Relations:**

Centre-state interactions have developed over time, with initial insights emerging during the pre-independence era. The centralised administration of India impeded British governance, hence necessitating the establishment of an indigenous administrative division for the country. To enable its implementation, many subordinate divisions were established by Viceroy Lord Ripon (1880-1884), which constituted the initial federal framework for the nation through elected city and rural district boards. These divides strengthened over the years and were further enhanced by the Indian Council Act of 1909, also referred to as the Morley-Minto Reforms, which conferred more responsibility upon central and provincial councils. Some researchers view the reforms as an attempt to subvert the nationalist endeavours of the Indian National Congress and similar organisations, while others regard it as a success narrative, wherein the freedom struggle persuaded the British of the necessity for political reforms.

The British conviction in advancing India's political framework can be ascribed to their aspiration to establish the country as a dominion; a notion reinforced during the First World War, when several Indian soldiers fought for the English alliance. A study was written by Edwin Montagu, the then Secretary of State for India, and Viceroy Lord Chelmsford to solidify India's political growth towards enhanced self-governance. The document presented in 1918 to the Indian Constitution Reform Committee was known as the Montagu-Chelmsford Reforms Act, which elucidated the Indian federal model.

According to the report's recommendations, the act established a 'dyarchy' or dual system of governance for the provinces for the subsequent decade. The Dyarchy was federal as it distributed sovereignty at the province level. The act states, "For such an organisation the English language has no word but 'federal'" (The Government of India Act 1919). Administrative issues were categorised into central and state jurisdictions, with state subjects further classified into transferred and reserved categories. The transferred subjects were to be administered by the governor in collaboration with the ministers of the legislative council. The legislation also authorised provinces to formulate budgets, impose taxes, and incorporate elected representatives in both the Upper and Lower Houses. Notwithstanding this distribution of powers, it was not genuinely federal in essence, as all residual powers resided with the central authority, and those allocated to the states were not constitutionally conferred, but rather bestowed via the benevolence of the central government.

After independence, the constituent assembly, responsible for drafting the nation's constitution, confronted a challenging challenge in addressing the newly established federal organisation. Having observed the deleterious consequences of partition, the assembly unequivocally favoured the unity and integrity of the nation. Owing to the complexities surrounding the term 'federalism', the constituent assembly characterised India as a 'Union of States' to emphasise its territorial integrity and indissoluble nature, while also delineating the framework of the Union government and the state governments. It further substantiated a unified system by establishing single citizenship for India instead of dual citizenship.

The constitutional provisions legally obligated states to the broader union and prohibited their power to secede. Furthermore, there were no safeguards established for the protection of states' rights, as the states were not sovereign entities before the creation of the Union" (Singh and Misra: 2013). Between 1960 and 1966, five new federal states—Gujarat, Maharashtra, West Bengal, Nagaland, and Haryana—were founded (Pathak). The predominance of the Indian National Congress party across the majority of states, coupled with its central governance, facilitated the implementation of unitary-federalism, aligning both the central and state administrations on administrative issues. In 1967, the quasi-federal structure was tested as the Congress faced defeat in the province elections of Bihar, Haryana, Kerala, Madhya Pradesh, and Orissa, among others. This resulted in the dissolution of the peaceful connection between the centre and the states.

#### **Committees and commissions on centre and state relations in India:**

**1. The Administrative Reforms Commission (1969):** It was proposed 22 recommendations to enhance Centre-State relations. It dismissed any constitutional amendment and deemed the current measures adequate to manage federal tensions. The significant recommendations are presented from a total of 22 recommendations as follows:

- Formation of an Inter-state Council pursuant to Article 263 of the Constitution
- Extensive delegation of authority to the states
- Enhancing state financial resources via fiscal transfers from the central government.
- Designating impartial individuals with extensive experience in public service and administration as state Governors.

**2. The Rajmanner Commission:** It was established by the Tamil Nadu government in 1969 to investigate this matter, and it submitted its report in 1971. It necessitated the modification of

the VII schedule and the allocation of residual powers to the states. The subsequent section presents its other significant recommendations:

- The establishment of an Inter-State council without delay
- The finance commission will be established as a permanent entity.
- Repeal of Articles 356, 357, and 365 pertaining to President's rule
- Elimination of All-India Services (IAS, IPS, and IFS)
- Replacement of the Planning Commission with a statutory entity
- The Central government wholly disregarded its recommendations.

### **3. Sarkaria commission:**

R.S. Sarkaria, who had previously served as a judge on the Supreme Court, was invited to serve as the chairman of a committee that was intended to be appointed by the Parliament in the year 1983. As a result of the notification issued by the Ministry of Home Affairs in June of 1983, the commission was ultimately established. Both Shri B. Sivaraman and Dr. S. R. Sen were given the responsibility of serving as members of the commission. To examine and evaluate the functioning of the present arrangements between the Union and the States in relation to powers, functions, and responsibilities in all areas, as well as to provide recommendations for reforms that would improve the coordination between the centre and the states, the commission was given the responsibility of conducting this investigation.

#### **Sarkaria Commission Recommendations:**

The chief recommendations of the Sarkaria Commission are mentioned below.

- The Sarkaria Commission recommended the appointment of individuals with considerable years of experience in public service and who have non-partisan attitudes.
- It is imperative that the states be granted the authority to investigate the progress of the populace and the efficient execution of social programs. In addition to providing support for the concept of cooperative federalism, it made the observation that federalism is more of a functional arrangement for cooperative activity than it is a static institutional construct. It is imperative that the state governments be provided with adequate financial resources in order to lessen their reliance on the central government.
- In order to settle any disagreements that may arise between the states, it is necessary to establish a permanent Inter-State council.
- In its report, the Sarkaria Commission recommended that All-India Services be given more autonomy.
- Concerning issues that are associated with state bills, it is necessary to keep the states informed while the President is exercising his veto power. When there is a requirement to deploy the armed forces in the states, the commission pushes for a consultative procedure between the central government and the states where the deployment is necessary.
- Additionally, it was suggested that the residuary powers to draft legislation in subjects pertaining to taxation should continue to be held by the Parliament. The residuary field must be classified under the concurrent list, with the exception of items pertaining to taxation. the concurrent list According to the report, the rule of the President, which is outlined in Article 356, should only be implemented in exceptional

situations, as a measure of last resort, and when it becomes absolutely necessary to prevent the constitutional machinery in the state from breaking down.

#### **4. National Commission for the Review of the Working of the Constitution (NCRWC):**

The National Commission to Review the Working of the Constitution (NCRWC) presented its recommendations, many of which reiterated the suggestions of the Sarkaria Commission. The subsequent list enumerates several novel recommendations:

- A statutory entity known as the Inter-State Trade and Commerce Commission should be instituted as stipulated in Article 307.
- The Governor should be designated by a committee consisting of the Prime Minister, Home Minister, Speaker of the Lok Sabha, and the Chief Minister of the respective state. Disaster and emergency management should be incorporated into the Concurrent List of the Seventh Schedule.
- Prior to invoking Article 356 in the event of a political breakdown within a state, the state should be afforded an opportunity to articulate its position and rectify the situation, as far as feasible.
- The 1990 Inter-State Council order should explicitly delineate the issues to be included in the consultations.

**5. Punchhi Commission 2007:** In 2007, the Central Government established the Punchhi Commission to analyse centre-state relations and to explore the potential for granting extensive powers to the centre for the suo motu deployment of Central forces in states and the investigation of offences impacting national security. The former Chief Justice of India, M.M. Punchhi, presided over the committee. It submitted its recommendation in 2009. Suggestions of the Punchhi Commission The following are some of its significant recommendations:

- It proposed a fixed term of five years for governors, with their removal through impeachment by the State Legislature, akin to the process for the President.
- The governor should possess the authority to authorise the prosecution of a minister contrary to the counsel of the council of ministers.
- It proposed a change to Articles 355 and 356 to allow the central government to impose its authority over certain troubled regions for a designated duration. Consequently, it suggested 'localising emergency laws,' allowing either a district or portions of a district to be placed under central authority rather than the entire state. The emergency should not exceed three months. It is proposed that the Centre be granted the authority to deploy its forces in the event of communal unrest without the state's authorisation for a brief duration of one week.

After extensive and rigorous discussions in the Constituent Assembly, the Constitution of India used the term Union of States to characterise the political organisation and power distribution in Independent India. The Constitutional framework, however, evidently favoured a robust Central authority, prompting certain Constitutional scholars and political analysts to characterise India as a 'quasi-federal' or 'semi-federal' state. This federation lacked provisions for dual citizenship, the power to secede, and robust legislative and budgetary authority for the States. It established a cohesive judiciary and a consolidated civil service governed by all-India services, along with a constitutional amendment procedure. The Constitution empowers the Centre through legislation, admit a new State, modify the territory of any State, or alter the

boundaries or name of any State, irrespective of the State's perspectives (Articles 2 and 3). The number of states in India has more than doubled since 1957.

The centrist orientation of the Indian federation was clearly reflected in the constitutional provisions governing the allocation of legislative, executive, and financial functions between the Centre and the States. The Union, State, and Concurrent Lists in the Seventh Schedule of the Constitution delineate subjects for which the Union and the States possess exclusive or concurrent legislative authority. These delineate the fiscal obligations of the Centre and States, respectively. Consequently, the Centre possesses exclusive authority over matters enumerated in the Union list, as well as residual issues. States have been granted the authority to legislate on matters specified in the State list and the Concurrent list. In the event of a disagreement, the Centre's law would take precedence if the issue is included in the Concurrent List (Article 254). The Centre's robust legislative authority is reinforced by granting Parliament the right to legislate on certain topics under the State list under certain situations. The Governor is empowered to reserve any Bill enacted by the State Assembly for the President's consideration, who may hold it indefinitely.

The allocation of executive authority corresponds with the distribution of legislative power between the Centre and the States (Article 73 and 162). Article 257(1) stipulates that the executive authority of the State must be exerted in a manner that does not obstruct or undermine the exercise of executive authority of the Union. The Centre is authorised to provide directives to States about this matter. If the directives are not adhered to, the Centre may implement emergency measures. Article 73(1) grants the Union the ability and competence to exercise executive power concerning any treaty or agreement. The article stipulates that concerning issues in the Concurrent List, States may exercise executive power only if Parliament has not explicitly legislated differently.

The financial authorities conferred by the Constitution exhibit a distinct asymmetry between taxation powers and functional obligations, with the Centre allocated taxes with greater revenue potential and States granted more functional duties. Article 280 of the Constitution establishes the Finance Commission and other provisions to facilitate the transfer of resources from the Centre to mitigate the disparity between the resources and expenditure obligations of States. Six Article 275 (1) stipulates the provision of grants-in-aid to the revenues of States deemed by Parliament to require assistance, with varying amounts designated for various States. Seven According to clause (2) of Article 275, no order concerning grants under clause (1) shall be issued without taking into account the recommendations of the Finance Commission. Article 282 permits the Union or a State to allocate funds for any public purpose, regardless of whether such purpose falls within the legislative jurisdiction of Parliament or the State Legislature. The borrowing authority of the Central and State Governments is governed by Articles 292 and 293, which stipulate that States may borrow from external sources only with the prior approval of the Government of India.

The Constitution allows for the declaration of emergency under Article 352 during war, external aggression, or internal disturbance; under Article 356, when the President, upon the Governor's recommendation, determines a constitutional breakdown of State machinery; and under Article 360, in cases of financial emergency. These provisions possess the capacity to further modify the federal arrangements in favour of the Centre.

Within the constitutional framework, it is evident that, in addition to an unequal distribution of power between the Centre and the States, there was also a distinctive asymmetry among the States themselves. States exhibit considerable diversity in topography, demographics, natural resource endowments, cultural and linguistic assets, and their degree of integration with mainstream India. Certain variations were amplified in the political domain, shown by the disproportionate representation of States in Parliament due to the adoption of population criteria for determining the number of representatives from each State in both Houses. Nevertheless, certain discrepancies were addressed by provisions, such as distinct governance structures for Union territory or the allocation of special status or competences to specific States in acknowledgement of their unique circumstances.

**Recent Changes in centre state relations:**

1. **15th Finance Commission's Recommendations:** The Centre executed the 15th Finance Commission's recommendation to decrease the states' contribution in taxes from 42% to 41%. The decrease in the state's allocation recognises the financial difficulties while accommodating the requirements of Jammu & Kashmir as a Union Territory.
2. **Introduction of GST:** The Goods and Services Tax (GST) has united India's market; nonetheless, it has induced financial hardship on states, hence hurting federal relations. Numerous states have expressed apprehensions regarding delays in GST compensation.
3. **Farm Laws and Agriculture:** The agricultural legislation enacted by the Centre, intended to reform agriculture, incited much discontent, as some states contended that agriculture falls under State jurisdiction. The protestors in Punjab and Haryana asserted that the laws encroached upon their legislative authority.
4. **Establishment of NITI Aayog:** The disbandment of the Planning Commission and the formation of NITI Aayog represented a move towards cooperative federalism; yet, several states contend that decision-making remains excessively centralised in some domains.
5. **Increase in Centrally Sponsored Schemes:** States have experienced a reduction in their financial autonomy as a result of this, as they are frequently forced to contribute monies, which consequently restricts their ability to prioritise local development.
6. **Implementation of the Direct Benefit Transfer (DBT) Scheme:** The state's influence over social assistance programs has been diminished as a result of the centralisation of welfare disbursement through the DBT Centre. This may result in a lack of responsiveness to the conditions that are present in the local community. As an illustration, programs such as the MGNREGA and the LPG subsidy are now dependent on direct transfers from the central government.
7. **One Nation, One Election Proposal:** There has been a lot of discussion about the plan to hold elections for both the Lok Sabha and the State Assemblies at the same time. Several states have argued that this would be detrimental to the federal structure.

**Conclusion:**

The dynamics of Centre-State relations have been influenced by political party imperatives, economic situations, political mobilisations, and external factors. Consequently, although the dominance of a single party at the national and most state levels resulted in less public conflicts between the two until around the mid-1960s, there has since been a significant increase in public protests and agitations in which the states aligned with the Centre. Numerous instances occurred in which an all-party resolution was adopted in the Assembly to either endorse or oppose a decision concerning the State. The establishment or opposition of industrial enterprises is but one example of this phenomenon. States have consistently opposed the Centre's intention to abolish sales tax, irrespective of the ruling party. The prevailing reality after the emergence of opposition-led states has undoubtedly become more confrontational. This also indicated the importance of other variables, resulting in variations in the nature and patterns of confrontational or autonomy demands. Following the emergence of coalition politics, the prevailing dynamics have shifted, highlighting an increased prominence of regional parties at the national level. This period also witnessed the increasing influence of external influences in policy-making processes, hence aggravating the issue of state autonomy amid uncertain central autonomy. The diverse stance of States has also been shaped by the supportive or antagonistic actions of the ruling parties at the Centre. Nonetheless, while the necessity for political backing at the Centre provided enhanced prospects for regional allies, this alone could not serve as the decisive factor in their efficacy or lack thereof.

#### **References:**

1. Ministry of Home Affairs, Notification dated the September 30, 2005” (Appendix II)
2. Part I of the Report of the First Commission on Centre-State Relations (Sarkaria Commission)”
3. Government of India, Report of the National Commission to Review the Working of the Constitution, 2002.
4. Government of India, Report of the Commission on Centre-State Relations Vols. I-II, 1987. (Sarkaria Commission Report)
5. Government of India, Report of the Commission on Centre-State Relations, Vols. I-VII ,2010 (Punchhi Commission Report)