

## **Central–State Relations and Federalism in India**

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### **Introduction**

India is a vast and diverse country enriched with various languages, religions, cultures, traditions, and social structures. In order to maintain national unity amidst this diversity, the framers of the Indian Constitution adopted a federal system of government. Article 1 of the Indian Constitution clearly states that, “India is a Union of States.” This statement indicates that there is a constitutional division of powers between the Central and State Governments. Indian federalism differs in certain respects from the traditional federal system. It is considered quasi-federal in nature because comparatively greater powers have been granted to the Central Government than to the States. Through the Union List, State List, and Concurrent List provided in the Seventh Schedule, legislative powers have been clearly divided.

Centre–State relations are an important and fundamental feature of the Indian democratic system. The primary objective of this system is to provide necessary autonomy to the States while maintaining national unity, administrative coordination, and economic development. Therefore, federalism is not merely a constitutional structure but the foundation of the stability of Indian democracy. In addition, the Indian federal structure has evolved over time through constitutional amendments, judicial interpretations, and political practices. The Supreme Court of India has played a significant role in interpreting federal provisions and maintaining the balance of power between the Centre and the States. Thus, Indian federalism is dynamic in nature and adapts according to changing political and socio-economic conditions.

### **Research Objectives**

The main objectives of this research are as follows:

1. To study the constitutional structure of Centre–State relations in India.
2. To analyze the advantages and disadvantages of the federal system.
3. To understand the changes and challenges in Centre–State relations in modern times.

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## **Research Hypotheses**

The following hypotheses have been formulated for this research:

1. Indian federalism is quasi-federal in nature and more powers are centralized in the Centre.
2. Cooperative federalism is beneficial for national development.
3. Political differences between the Centre and the States affect the functioning of the federal system.

## **Concept and Features of Federalism**

Federalism means the existence of a two-tier system of government at the Centre and State levels with a constitutional division of powers between them.

Written Constitution, Supremacy of the Constitution, Division of Powers, Independent Judiciary, Dual Government Structure, Rigid Amendment Process In India, a combination of both federal and unitary features is observed.

## **Types of Centres–State Relations**

### **(A) Legislative Relations**

The Seventh Schedule contains three lists: Union List – Defense, Foreign Affairs, Currency, Railways; State List – Police, Public Health, Agriculture; Concurrent List – Education, Forests, Marriage, Labour Laws. In case of inconsistency in laws under the Concurrent List, the Union law prevails. During an emergency, the Centre can also legislate on subjects in the State List.

### **(B) Administrative Relations**

Governors are appointed by the President. The Central Government can issue directions to the States. All India Services such as IAS and IPS maintain administrative uniformity. Central schemes are implemented through the States.

The Constitution also provides for coordination between the Centre and the States through mechanisms such as the Inter-State Council (Article 263). The role of the Governor as a link between the Centre and the State is often debated, especially in politically sensitive situations.



### **(C) Financial Relations**

Taxation powers are divided between the Centre and the States. The Finance Commission (Article 280) recommends revenue distribution between them. Grants are given to the States. Maintaining financial balance is extremely important for the success of the federal system.

With the introduction of the Goods and Services Tax (GST), a new dimension has been added to financial federalism. The GST Council acts as a joint forum of the Centre and the States to decide tax rates and policies, reflecting cooperative decision-making.

### **Advantages of the Federal System**

1. Unity in diversity is maintained and power is decentralized.
2. Effective solutions can be provided to local issues.
3. Democracy is strengthened and regional development is promoted.

### **Disadvantages of the Federal System**

1. Centre–State conflicts may arise. Central dominance may increase.
2. Financial imbalance may occur.
3. Possible misuse of emergency provisions.
4. Tension due to political differences.

### **Centre–State Relations in Modern Times**

In present times, the concepts of cooperative federalism and competitive federalism have become important. The GST Council, NITI Aayog, and coordination during the COVID-19 period are examples of cooperation.

Competitive federalism encourages States to improve governance and attract investment by competing with each other in areas such as ease of doing business, infrastructure development, and social welfare schemes.

However, disputes are seen regarding the role of Governors, financial distribution, and central investigative agencies. Issues such as the use of Article 356 (President’s Rule), control over centrally sponsored schemes, and allocation of funds continue to generate debates in Indian politics.



## Conclusion

Indian federalism maintains a balance between federal and unitary features. Although greater powers are vested in the Centre, the role of the States is extremely important. The success of the federal system depends on cooperation, trust, and financial fairness between the Centre and the States. By increasing dialogue and ensuring balanced distribution of resources, federalism can be made more effective. Federalism is the foundation of Indian democracy and is essential for national unity and development.

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4. Granville Austin – *The Indian Constitution: Cornerstone of a Nation*
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