

The Centre-State Relation

These notes are your ultimate revision weapon to revise The Centre-State Relation. We've distilled years of previous exam questions (PYQs) into one powerful, concise resource. Everything you need to know, nothing you don't.

- **PYQs, Decoded:** All key concepts from past exams, organized and simplified.
- **Revise in Record Time:** Short, precise, and designed for last-minute review.
- **Focus on What Matters:** Master high-probability topics and boost your confidence.

Centre-State Relations in India: A Structured Overview

1. Constitutional Basis & Distribution of Power

- **Governing Provisions:** Primarily outlined in **Part XI** (Legislative & Administrative Relations) and **Part XII** (Financial Relations) of the Constitution.
- **Legislative Power Distribution:**
 - **Articles 245 & 246:** Define the distribution of legislative power.
 - **The Seventh Schedule (Article 246):** Contains three lists:
 - **Union List:** Parliament has exclusive power.
 - **State List:** State Legislatures have exclusive power.
 - **Concurrent List:** Both can make laws (Central law prevails in case of conflict).
 - **Residuary Powers:** Rest with the **Parliament**.
 - **Parliament's Power over State List:** Under **Article 249**, Parliament can legislate on a State List subject if the Rajya Sabha passes a resolution (valid for one year) in the national interest.

2. Financial Relations

- **Governing Articles: Articles 268 to 281.**
- **Tax Collection and Distribution:**
 - **Article 270:** Taxes levied and collected by the Centre (except agricultural income) are distributed between the Centre and States.
 - **Article 268:** Taxes on financial transactions (stamp duties) are imposed by the Centre but collected and appropriated by the States.
- **Key Institution:** The **Finance Commission** is the constitutional body that defines financial relations.
- **Specific Tax Examples:**
 - **Land Revenue:** Exclusively imposed and collected by States (Entry 45, State List).
 - **Taxes on Income:** Imposed by the Union, but proceeds are shared (Article 270).
 - **Agriculture Income Tax:** Assigned to State Governments by the Constitution (State List, Entry 46).
 - **Constitutional Sanction: Article 265** states no tax shall be levied without the authority of law.
- **Limitation on State Borrowing:**
 - As per **Article 293**, a state can only borrow within India and is **NOT empowered** to take foreign loans directly.

3. Mechanisms for Cooperation & Coordination

- **Constitutional Bodies:**
 - **Inter-State Council (Article 263):**
 - **Purpose:** To facilitate coordination between Centre-States and among States.
 - **Power:** President establishes the Council.
 - **Recommendation:** Proposed by the **Sarkaria Commission**.
 - **Establishment:** Set up in **1990**.

- **Composition:** Chaired by the **Prime Minister**, includes Chief Ministers and Union Ministers.
- **Statutory Bodies:**
 - **Zonal Councils:**
 - **Basis:** Created by the **States Reorganisation Act, 1956** (statutory, not constitutional).
 - **Number:** Initially five (Northern, Central, Eastern, Western, Southern).
 - **Role:** Advisory bodies; act as 'Sub-Federal Links'.
 - **Composition:** Chaired by the Union **Home Minister**.
 - **Inclusions:** Union Territories (e.g., Chandigarh) are members.
 - **North Eastern Council:** A separate council for the seven NE states, established in **1971**.
- **Extra-Constitutional Bodies:**
 - National Development Council (NDC)
 - Governor's Conference
- **Other Unifying Mechanisms:**
 - Unitary Judicial System (Supreme Court at apex)
 - All India Services

4. Specific Provisions for Interstate Relations

- **Inter-State Water Disputes:**
 - **Constitutional Basis:** **Article 262** empowers Parliament to adjudicate.
 - **Related Legislation:** **Inter-State Water Dispute Act (1956)** and the **River Boards Act (1956)**.

5. Union's Duty towards States

- **Article 355:** It is the duty of the Union to protect every State against **external aggression and internal disturbance** and to ensure that the state government functions in accordance with the Constitution.

6. Commissions on Centre-State Relations

- **Sarkaria Commission:**
 - **Purpose:** To review Centre-State relations.
 - **Year:** Set up in **1983**.
 - **Chairman:** Justice **R.S. Sarkaria**.
 - **Members:** Included **B. Sivaraman** and **Dr. S.R. Sen**.
 - **Report:** Submitted in **January 1988**.
 - **Key Recommendations:**
 - Use **Article 356 (President's Rule)** very sparingly.
 - Establish a **Permanent Inter-State Council**.
- **Other Committees:**
 - **Related:** Sarkaria Commission, Rajamannar Committee, Punchhi Commission.
 - **Not Related:** The **Indrajit Gupta Committee** (related to state funding of elections).

7. Specific Instance



- **Jharkhand Area Autonomous Council:** Formed on **August 8, 1995**, covering 18 districts, prior to the full formation of the state.

8. Factors Influencing Centre-State Relations

The dynamics are influenced by a combination of:

- Constitutional Provisions
- Conventions and Practices
- Judicial Interpretations
- Mechanisms for Dialogue
- Other factors include:
 - The Planning Process (sometimes termed a 'Municipal Relation').
 - Conflicts of Political Interests (e.g., different parties at Centre and State).
 - The desire of the Centre to dictate.

Know More About The Centre-State Relation:

- [The Centre-State Relation – Old Year Questions](#)
- [The Centre-State Relation One Liner Questions & Answers](#)

