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EMERGING ISSUES



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UNIT 14 CENTRE-STATE-LOCAL ADMINISTRATIVE RELATIONS*

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14.0 OBJECTIVES

After studying this Unit, you should be able to:

- Discuss the division of administrative powers between the Centre and States;
- Describe the techniques of executive control over the states;
- Explain the administrative relations between State and Local Government; and
- Highlight the necessary measures for cooperative, cordial and harmonious relationship among the Centre, State and Local Government.

14.1 INTRODUCTION

Indian Constitution is neither purely “federal” nor purely “unitary”. The federal form is clearly manifested in the constitutional distribution of powers between the centre/union and the states not only in the legislative field but also in executive and administrative fields. In normal times, the constitutional scheme has to ensure autonomy of the states in regard to the spheres of activities earmarked for the states in the Constitution. Specific subjects have been allocated to the exclusive fields of the centre and the states respectively and certain subjects have been allocated to the concurrent field with the stipulation that in the state and concurrent fields, as we have discussed in Unit 2, the states should have the freedom to follow their own policies except to the extent that Parliament itself decides to legislate under the powers given to it under the Constitution.

Historically, a highly centralised colonial government had slowly been transformed into a semi-feudal set-up. In post-Independent India, the needs of planned development, national integration and maintenance of law and order resulted in a considerable degree of centralisation of powers in the hands of the Centre. Single party rule for a long period

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of time has also contributed to the increasing preponderance of the centre. The Centre-State or State-Local relationship in reality is a matter of interaction between the two levels of governments in course of discharge of their duties to people. In administering subjects like education, trade and commerce, the two levels of governments have to interact in the interest of efficient management of these functions. Administrative problems assume political colour when the interactions are conditioned by considerations of power and hegemony. As the Administrative Reforms Commission commented, “The problem of Centre-State relations has acquired new dimensions and new importance in recent times due to several political parties being in power at the Centre and in the States”.

In the context of State-Local relations, it is said that the Local bodies are creature of states. The Local Government, which is a State subject figures as item 5 in List II of the Seventh Schedule to the Constitution of India. The State legislatures pass the legislation regarding PRIs and Municipalities; and remain vigilant about their working. In this way, the State Legislature indirectly exercises administrative control over these bodies. At the Local level, Urban Local Bodies (ULBs) and Rural Local Bodies (RLBs) are institutions of decentralisation and local democracy, created by the State Government through the Municipal Act and Panchayati Raj Act respectively; and provisions of these Acts govern the relations between the State and Local Bodies. As we have already discussed the background, structure, power, functions and finances of the Panchayati Raj Institutions (PRIs) and ULBs, in detail, in Unit 12 on Panchayati Raj and Unit 13 on Municipal Administration, this Unit will concentrate on administrative relations.

In this Unit, we will study about the division of administrative powers between the centre and states; and constitutional and extra-constitutional devices for securing cooperation among Centre, State and Local governments. This Unit will also discuss about the different ways in which the centre exercises its control over the States and State over Local Government.

14.2 CENTRE-STATE ADMINISTRATIVE RELATIONS

As earlier pointed out, the Constitution has clearly delimited the scope of legislative and executive authority of the union and states. It is at the same time expressly provided under Article 256 of the Constitution that the executive power of the states shall be so exercised as to ensure compliance with the laws of Parliament. Also the union executive power extends to the giving of such directions to the states as may appear to the Government of India to be necessary for the purpose. It is further stipulated under Article 256 of the Constitution that if the state government fails to endorse the laws passed by the Parliament within its jurisdiction, the union government can issue directions to the states to ensure their compliance.

Adequate provisions have been made in the Constitution for the division of executive powers between the centre and states. The executive power of the centre extends primarily to matters with respect to which Parliament has exclusive authority to make laws. Similarly the executive powers of the states extend to all those matters which, are within their legislative domain. But with regard to the matters which are in the concurrent list, there are three courses of action with the Parliament in reference to the enforcement of legislation. It can leave it entirely to the states or may take over the task of enforcing it or it may take upon the enforcement of a part of the law, leaving the rest of it to the states for enforcement.

The executive power of the union also extends to giving of directions to the states as to the construction and maintenance of means of communication declared to be of national

or military importance. The Union government can give directions to the states for the protection of railways within the states.

There is a constitutional provision under which the President may, with the consent of a state government, entrust either conditionally or unconditionally to a state or to its officers, functions in relation to any matter falling within the ambit of union executive power. A State can also, with the consent of Union government confer administrative functions on the Union.

India, being a federation, the Constitution establishes dual polity with the union at the centre and the states at the periphery. The dual government system and the division of powers are key features of the federal system. Since cooperation and coordination between the central and state governments are necessary for smooth running of the federation, the Constitution provides for a detailed division of executive, legislative and financial powers. The administrative relations between the union and states can be discussed under two parts: (a) powers exercised by union over the states as granted by the Constitution; and (b) powers exercised by extra constitutional agencies.

Division of Administrative powers between the centre and the states as per constitutional provisions:

- i) **Directives by the union to the state governments:** The executive power of the union also extends to giving of direction to the state under Article 256 for their compliance. This power of the Union extends to the limit of directing a state in a manner it feels essential for the purpose. For instance, the union can give directives to the state pertaining to the construction and maintenance of means of communication declared to be of national or military importance or protection of railways within the state. This is essential to ensure the implementation of parliamentary laws throughout the country. Non-compliance of the directives might lead to a situation where the Union can invoke Article 365, for imposition of President's rule in the State and take over the administration of State.
- ii) **Delegation of Union functions to the states:** Under the constitutional provision of Article 258, the President may, with the consent of the state government entrust either conditionally or unconditionally to the government, functions relating to any matter falling within the ambit of Union executive power. Under clause (2), Parliament is also entitled to use the state machinery for the enforcement of the Union laws, and confer powers and entrust duties to the State. A State can also, with the consent of Union government confer administrative functions on the Union.
- iii) **All India Services:** Besides Central and State services, the Constitution under Article 312 provides for the creation of additional "All India services" common to both the union and states. The State has the authority to suspend the officials of All India Services. The power of appointment; and taking disciplinary action against them, vests only with the President of India.

The idea of having an integrated well-knit All India Services to manage important and crucial sectors of administration in the country, which was the legacy of the past, was incorporated in our Constitution. Their recruitment, training, promotion and disciplinary matters are determined by the central government. A member of the Indian Administrative Service on entry into the service is allotted to a state where s/he serves under a State government. These officers get acquainted with state and district administration and carry with them this experience while migrating to the Centre to occupy positions of responsibility; and such interchange of experience improves decision-making. This arrangement wherein a person who

belongs to the All India Service is responsible for administration of affairs both at the centre and states brings co-operation in administration.

- iv) **Deployment of Military and Para-military Forces:** These can be deployed in a State by the Union, if situation warrants, even against the wishes of the State Government.
- v) **Constitution of Joint Public Service Commission for Two or more States:** Apart from Union Public Service Commission (UPSC) and State Public Service Commission, the Constitution also provides for a Joint Public Service Commission. When two or more states through a resolution to that effect, in their respective legislatures agree to have one such Commission, the Parliament may by law, provide for a joint commission. The constitution of the Commission facilitates inter-governmental co-operation.

There is also a provision in the Constitution wherein, on request by two or more states, the UPSC can assist those states in framing and operating schemes of joint recruitment to any service for which candidates with special qualifications are required.

- vi) **Judicial System:** A distinctive feature of our federal system is the presence of integrated judicial system. Though we have federal form of government with two sets of government and dual powers, there is no dual system of administration of justice. This is clear by the presence of single integrated chain of courts to administer both Union and State laws with the Supreme Court at the apex of hierarchy of courts, as we have discussed in Unit 10. The practice of having one set of courts, which was present in our country under the Government of India Act 1935 continued thereafter under our Constitution.

The state governments are empowered to undertake the administration of justice and to constitute courts for this purpose. Hence, there is a High Court in each state as the highest court within the territory of state, which is required to administer both the union and the state laws. Hence, the Constitution stipulates that the Chief Justice of the High Court be appointed by the President in consultation with the Chief Justice of India and the Governor of the State.

The Constitution also provides for creation by the Parliament through law, a common High Court for two or more states. For example, Punjab and Haryana High Court is the common High Court for the states of Punjab and Haryana and the Union Territory of Chandigarh. The administration of justice falls entirely within the sphere of state irrespective of whether a matter pertains to civil or criminal law or whether such a law is enacted by Parliament or State legislature.

- vii) **Inter-State Council:** India is a union of states wherein the centre plays a prominent role but at the same time is dependent on the states for the execution of its policies. The Constitution has provided for devices to bring about inter-governmental co-operation, effective consultations between the centre and states so that all important national policies are arrived at through dialogue, discussion and consensus. One such device is the setting up of the Inter-State Council. Based on the Sarkaria Commission's recommendations, the Inter-State Council was setup under Article 263 of the Constitution vide Presidential order dated 28th May 1990. The Council is to inquire into and advise upon disputes, which may have arisen between the states. In addition, it may investigate and discuss subjects of common interest between the Union and the states or between two or more states in order to facilitate co-ordination of policy and action. In this regard, following councils have

been setup – a) Central Council of Health and Family Welfare; b) Central Council of Local Government; and c) Transport Development Council. The Council consists of the Prime Minister as the Chairman, the Chief Ministers of all States and those Union Territories with a Legislative Assembly and Administrators of UTs not having a Legislative Assembly, and Governors of states under President’s rule, six Ministers of Cabinet rank in the Union Council of Members, and four Ministers of Cabinet rank as permanent invitee members (Inter-State Council Secretariat, <http://interstatecouncil.nic.in/>).

viii) **Inter-State Water Disputes:** In India, there are many inter-state rivers and their regulation and development has been a source of inter-state function. These relate to the use, control and distribution of water of inter-state rivers for irrigation and power generation. In the Indian Constitution, water-related matters within a State are included in the State list, while the matters related to inter-state river water are in the Union list. Keeping in view this problem of unending river water disputes, the Constitution framers vested the power to deal with it, exclusively in Parliament. The Parliament hence, may by law provide for the adjudication of any dispute or complaint, with regard to use, distribution or control of the waters. The Inter-State Water Disputes Act was enacted by the Parliament in 1956, according to which tribunals are setup for adjudication of water disputes referred to them.

Federal government involves dual government. It is, therefore necessary to provide for the acceptance of public acts of both governments to avoid Inter-governmental conflict. In the functioning of federation, a state refusing to recognise Acts and records of another state may give rise to confusion and inconvenience. To eliminate such a possibility, the Constitution of India provides the Full Faith and Credit clause, Article 261 of the Constitution stipulates that full credit and faith shall be given throughout India to public acts, records, and judicial proceedings of the Union and all the states. The term “public acts” relates to not only statutes but to all other legislative and executive acts of the union and the states. This clause serves a very important purpose of eliminating any possible hindrance to the normal transaction of administrative activities in the Indian federation.

The State Government, through Acts, has created local bodies; exercised control on Local bodies to ensure the homogeneous development of the urban and rural areas; provided personnel with technical skills and experience for rendering effective services at the grass roots level; and provided financial assistance to the local bodies to ensure that the money is properly utilised. In the subsequent section, we will discuss the administrative relations between the State and Local Government.

14.3 STATE-LOCAL ADMINISTRATIVE RELATIONS

In the journey towards sustainable development, the local bodies have to play an important role. The statement indicating Value added by the Central and State Governments (2018-19) reflects that the Local bodies have added value of Rs. 1,07,225 crore (MoSPI, National Accounts Statistics 2020). It is to be noted that the State government through certain control mechanisms, that is, legislative control, administrative control, judicial control and financial control, supervises the functioning of the Local bodies. The law provides wide powers of administrative control to the State Government, which constitutes the significant basis for the State Government’s authority. Now, we will focus on administrative relations between the State and Local Bodies in the following areas.

i) **Approval of Bye-laws and Rules**

The State Government approves bye-laws and rules framed by the municipal bodies within the framework of the Municipal Act for the civic governance within their jurisdiction; and annul their resolutions, if these local bodies exceed their limits. Similarly, The State Government approves bye-laws and rules framed by the PRIs within the framework of the Panchayati Raj Act. These are considered as guiding factors of growth within the jurisdiction of a local government; and strengthen the relations between the State Government and Local Government.

ii) **Control on Local Bodies through State Cadre**

In states, mostly, higher level personnel of the Rural Local Bodies and Urban Local Bodies remain under the control of the State Government for their appointment, transfers, conditions of service, disciplinary action etc. It is worth mentioning that most of the higher level administrative positions in PRIs and Municipalities are manned by the All India Services or the State Service personnel, which prevents local bodies from promoting their own administrative leadership. The State Government controls the Urban Local Bodies through their personnel. The executive and technical staffs from various State Departments are more loyal to the State Government than to the Institutions where they work. This is also being used by the State Government as an instrument of control. In addition, the personnel on deputation have an edge over the regular municipal personnel in terms of position and perks, which demoralises the municipal personnel. However, Andhra Pradesh, Gujarat, Rajasthan etc. have made efforts to create Municipal level Services, which are intended to be manned by the municipal personnel themselves. Even in most of the states, the State Government appoints and transfers the key functionaries such as the Secretaries and Executive Officers at all levels of Panchayats. Thus, it reflects that the Local Bodies have little disciplinary control over these functionaries who are part of the state government bureaucracy. Even a sizable number of vacancies are not filled regularly; and impact of senior bureaucrats and the government can be seen on frequent transfers. Even many states have not transferred functionaries related to the 29 subjects devolved to the panchayats under the Eleventh Schedule, and the panchayats, therefore, have to work through the functionaries still within the state hierarchy. In this regard, Kerala is the only state which has completely transferred the control of functionaries to its panchayats. Approximately 100 officials of different line departments have been devolved to district panchayats, who exercise supervisory and administrative control over these functionaries (Mathur, 2013).

iii) **Audit of the Local Bodies and issuance of Directions**

The State Government conducts inspections of Local Bodies; and issue suitable directions to improve the administrative system. While giving grants, the Government generally specifies the purpose and method of proper utilisation of the grants. In addition, periodic audit is also an instrument of control. For the Audit of accounts of Panchayats (Article 243J), the Legislature of a State makes provisions regarding the maintenance of accounts by the Panchayats and auditing of such accounts. The Government has the power to suspend and annul the resolutions of local bodies. It also exercises the power of removing members of these bodies and officers at various levels, and also inspects the Institutions of self-governance. The State Government has the power of inspection, supervision and control over local bodies. In this context, an authorised state officer inspects all books, proceedings and records of local bodies.

The fifteenth Finance Commission in its report submitted in November 2019 has recommended for rural local bodies to transit to an upgraded accounting code structure

of the PRI Accounting Software (PRIA soft) system from the current four levels to the six-level structure followed by the Union and State Governments. “Further, such upgraded PRIA soft needs to be integrated with Integrated Financial Management Information System (IFMIS) of the State Governments (wherever it exists) and the Public Financial Management System (PFMS) of the Controller General of Accounts (CGA) in order to generate online accounts by each rural local body, enable online auditing of such accounts and their consolidation at the State and all-India level.” Further, it stated, “For urban local bodies, the National Municipal Accounts Manual (NMAM) developed by the MoHUA required all State Governments to draft State-specific municipal accounts manuals. Thus, at present urban local bodies are following NMAM or State-specific manuals based on NMAM. Each urban local body needs to generate online accounts by taking advantage of IFMIS/PFMS after it is duly integrated by using appropriate IT tools. The MoHUA shall put these online accounts on a common platform, thus having consolidated accounts, both before and after audit, at the State and all-India levels.” In this context, this process shall be in two stages, that is, the integration of the PRIA Soft and NMAM systems with the State-level IFMIS and, subsequently, with PFMS to achieve complete integration. In 2020-21, under the guidance of the Comptroller and Auditor General, the concerned ministries and CGA shall develop an integrated account maintenance system on trial basis by the states before 31st March 2021, and ready for full roll-out from 1st April 2021 (Finance Commission of India, XV Finance Commission, Report for the year 2020-21, November 2019, <https://fincomindia.nic.in/ShowPDFContent.aspx>).

iv) **Submission of Periodic Reports to State Government**

The Local Bodies have to submit periodic reports to the State government on their functioning. To understand it in a better way, we will discuss the case of periodic report of Inspection and Audit System in Kerala. The KPR Act, 1994 read with the Kerala Panchayat Raj (Manner of Inspection and Audit System) Rules, 1997 and the KM Act, 1994 read with Kerala Municipality (Manner of Inspection and Audit System) Rules, 1997 stipulate that the PRI/ULBs shall prepare Annual Financial Statements (AFS) and forward them to the Director of Local Fund Audit (DLFA) after approval by the Panchayat/Municipal Council/Corporation Council not later than 31 July/31 May/31 May respectively of the succeeding year. As per the Kerala Local Fund Audit Act, 1994 (KLFA Act), the DLFA has to complete the audit of accounts submitted by Local Self-Government Institutions (LSGIs) within six months of the receipt of accounts; and issue Audit Report within three months from the date of completion of audit. As per the KLFA Act, it was mandatory for LSGIs to submit their accounts to DLFA, for audit by 31st July every year. In addition, Rule 16 of KLFA Rules empowers DLFA, renamed as Director of Kerala State Audit Department (KSAD), to carry out proceedings in a Court of Law against the Secretaries of LSGIs who default in the submission of accounts properly. It is to be noted that on 31st July 2015, 73 accounts from 1997-98 to 2014-15 were in arrears. Of this, 70 accounts belonged to 2005-06 and earlier. In response to audit query, the Director of KSAD said that though KSAD was empowered to take legal action against the Secretaries of LSGIs who have defaulted in submission of accounts but the KSAD faces difficulties in initiating legal action due to large number of arrears in accounts, prior permission of Government was required for taking action against the Government employees, non-availability of Government pleaders and shortage of employees. This statement reflects the lack of resources; and relations between the State and Local Government (Report of the Comptroller and Auditor General of India on Local Self-Government Institutions, https://cag.gov.in/sites/default/files/audit_report_files/Kerala_LSGIs_Report_5_2016.pdf).

v) Default Power of the State Government

In case a Municipal Body fails to discharge its duties, for example if it fails to provide proper sewers or sewage disposal plants within the specified time-limit, the state government may declare the local authority to be in default and can take action against it. However, in certain cases, if it's necessary the Government get that work done on its own but expenditure for it will be borne by the Urban Local Body. This power of State Government is known as the default power. This power should be applied rarely and as a last resort, after using all means of advice and persuasion otherwise it will result in strained relations between state and local body.

vi) An Appeal against the Unjust and Arbitrary Behaviour of a Local Body

An appeal against the unjust and arbitrary behaviour of a Municipal body or PRIs can be made to the state government for necessary action. After the 73rd Constitutional Amendment, under the new dispensation in the conformity Acts, the state governments have provided necessary legislative provisions in their Panchayati Raj Acts to empower the District Collectors to oversee malpractices and the misuse of powers by the panchayats in their area, which may be from the suspension of the Panchayats to the suspension of the elected chairpersons. To take necessary action in these matters, most of the state governments rely on the reports of the District Collector who is mostly named as the enquiry officer. It reflects the relations between state and local government; and control of the state on local bodies as well as enhances the status and prestige of the officer who represents the state government at the local level. It can be stated that the District Collector is the eyes and ears of the state government at the local level as we have discussed in Unit 11, a role that continues to be strengthened in states.

vii) Control on Arbitrary Practices

Earlier when the State Government dissolved any Local body at its own discretion, it has been observed that elections would not be held for years. In this regard, as per the 74th Constitutional Amendment Act, if the state government decides to dissolve a municipal body before the expiration of five years, then before the dissolution, the government will give a reasonable opportunity to that municipality for being heard. In addition, elections for constituting a new municipality will have to be completed within a period of six months. It means that the Municipal Body can remain dissolved for a period of only six months. A municipality so constituted, after dissolution, will continue only for the remainder period for which the dissolved municipality would have continued had it not been dissolved by the State Government. Similar procedure is followed in case of the PRIs also. Thus, such provisions will ensure that the municipalities and PRIs are not dissolved arbitrarily; and will contribute in improving the relationship between the State Government and Local Bodies.

viii) Dissolution of Municipality

Earlier, that is, before the enactment of the 74th Constitutional Amendment Act, the state government could supersede and suspend a municipality. Just to quote an example, in 1989, out of 73 Municipal Corporations 39 were superseded at different points of time. It indicates the extent of control exercised by the State over Local Bodies. But now, the state legislatures will not have the power to make amendments in any law, which can result in supersession of any municipality, before the expiration of its normal term of five years. After 73rd Constitutional Amendment, similar procedure is followed in case of the PRIs also. This can be stated as a security against arbitrary action by the state government, which will strengthen the relationship between the State Government and Local Bodies.

The Municipalities and PRIs have no or little control over the state level functionaries. They have to function within the framework of a powerful administrative structure that commands primacy at the district level and loyal to the State Government. In clear words, the Local bodies do not have administrative autonomy in many states. The experience of functioning of these institutions revealed that the cooperative and cordial relations between them are necessary to strengthen the local bodies for sustainable development. The major objective of the control and supervision by the State Government should be to ensure efficiency in the performance of functions by the units of Local Self-Government.

Check Your Progress 1

Note : i) Use the space given below for your answers.

ii) Check your answer with those given at the end of the Unit.

- 1) Explain the importance of “Full Faith and Credit clause” incorporated in the Constitution.

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- 2) Discuss the significance of All India Services in Centre-State relations.

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- 3) Examine the administrative relations between the State and Local government.

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14.4 EMERGENCY PROVISIONS

In normal times, the Union and the States are expected to function separately within their constitutionally delimited spheres of activities. But our Constitution makes provisions for proclamation of emergencies to enable the union government to acquire the strength of a unitary system in times of “emergencies”. The Constitution envisages three different kinds of “emergencies” or abnormal situations calling for a radical departure from the normal governmental machinery as setup by the Constitution.

The first kind of emergency, under Article 356, as we have discussed earlier relates to the failure of constitutional machinery in a state. The President is empowered to make a proclamation when s/he is satisfied that the government of a state cannot be carried on in accordance with the provisions of the Constitution either on the report of the state Governor or otherwise. Under this provision the President's rule has been imposed in several states at different points of time. It has proved to be a drastic coercive power, which takes nearly, the substance away from the normal federal polity prescribed by the Constitution.

The second kind of emergency is the "national emergency". Under Article 352, a proclamation of emergency may be made by the President at any time when s/he is satisfied that the security of India or any part thereof has been threatened by war, external aggression or armed rebellion. Such a proclamation has far-reaching consequences for the fundamental rights and for the exercise of executive, legislative and financial powers of the union government. The nation virtually slips into a unitary system in times of national emergencies.

A third type of emergency - the financial emergency - may be proclaimed by the President under Article 360. This is done when the President is satisfied that a situation has arisen whereby the financial stability or credit of India or any part of the territory thereof is threatened. During the financial emergency, the union executive has powers to direct any state to observe some specific canons of financial propriety as well as taking measures such as reduction of salaries and allowances of persons serving the State or the Union.

The emergency provisions are so drastic that when the proclamation of either of the emergencies is in operation, the government is carried practically on a unitary basis; and during the crisis, the State governments are in effect merely subordinate governments and function as a part of a Union structure.

14.5 AN APPRAISAL

The administrative relationship between the centre and the states in India has evolved during the course of colonial rule. After Independence the Constitution of India provided for a system of inter-governmental relationship both for normal times and emergencies. In normal times, the federal polity was expected to function on the principle of dual government. The history of highly centralised government in the past, the influence of the Government of India Act 1935 and the concern of our founding fathers about national stability, peace and harmony led to the acceptance of a constitutional arrangement of distribution of powers that deliberately tilted the scale in favour of the Union.

Later, in course of actual governance, the political forces started reshaping the Indian polity and central dominance through President's rule and other provisions harmed the effective working of the federal system. As different political parties came to power at the Union and the State level, the phenomenon of central dominance had steadily come under attack by the states. The politics of Centre-State relations revolved round such issues as "more powers to the states", "more financial resources to the states" and even a clamour for redrafting of the Indian Constitution. In response to the states' demands, the Sarkaria Commission which was setup to review the working of the federal system suggested appropriate constitutional changes. It needs a political will to design and sustain a decentralised political and administrative system. There are extra-constitutional bodies such as the National Integration Council and Zonal Councils and formal devices for securing consultations between the centre and the states; and for bringing about co-operation and co-ordination between the states. These devices are to solve the centre-

state conflicts and promote co-operative federalism. Regular conferences are being held as a matter of practice like annual conferences of Chief Ministers, Governors, Chief Secretaries, etc. The Governor's Conference serves as a useful forum where the Chairman of the conference is apprised by the Governors, of the political, social, and economic situation of the states. Similarly, the Chief Minister's conference serves as a potential forum for discussion of whole range of issues concerning the states and harmonisation of relationship between the centre and the states.

In the context of the State and Local Government, the major objective of the control and supervision by the State Government is to ensure efficiency in the performance of functions by the units of Local Self-Government. Here, it is utmost important that the guidance and control should be positive. It should strengthen these institutions and enable them to assume more responsibilities and accountability. When the control becomes too oppressive, it affects the relationship between the State and Local bodies. There is a strong feeling among the bureaucracy and citizens that stronghold of the State Government, in some states, over the Local bodies is too extensive, which can affect the local autonomy. The resource base of the Local bodies is not adequate and the state governments, in some states, are not seriously considering the recommendations of the State Finance Commission, and the powers are being indiscriminately used against the Local Bodies.

It is worth mentioning that several committees, Finance Commission and State Finance Commission have recommended measures to strengthen the resource base and also the capacity of these institutions. If these measures are adopted and implemented properly, it will definitely pave the way for sustainable development and strengthen the relationship between the two. It is to be noted that the 73rd and 74th Constitutional Amendments give a term of five years to the Panchayati Raj Institutions and Municipalities. The State Government may dissolve these bodies but fresh elections are to be held within a period of six months. As a result, the State interference has been greatly reduced by this provision. In light of above, there is an urgent need to develop high degree of cooperation and coordination between the State Government and Local Bodies rather than acrimony.

The analysis of devolution of powers and functions indicates unfinished agenda of empowerment initiated by 73rd and 74th CAAs. The funds and functions have a mismatch along with inadequate deployment of functionaries with due accountability to a common man.

The major objective of the control and supervision by the State Government should be to ensure efficiency in the performance of functions by the units of Local Self-Government. This should follow facilitation, guidance and handholding rather than excessive control. The state parastatals and para municipal bodies should be accountable to local bodies. A system of community contacting and bottom up planning should be included in the local governance, which will require us to revisit the current provisions and the areas to modify the existing Acts.

Fifteenth Finance commission has initiated a process for accounting, auditing and local accountability, which is necessary to follow reforms by centre and states. Here, it is utmost important that the guidance and control should be positive. It should strengthen these institutions, and enable them to assume more responsibilities and accountability. The bottomline of action should be downward accountability, which is largely missing. In light of above, there is an urgent need for high degree of cooperation and coordination between the State Government and Local bodies.

The Municipalities and PRIs have no or little control over the state level functionaries. They have to function within the framework of a powerful administrative structure that commands primacy at the district level and loyal to the State Government. In clear words, the Local Bodies do not have administrative autonomy in many states. The experience of functioning of these institutions revealed that the cooperative and cordial relations between them are necessary to strengthen the local bodies. In this context, devolution of powers and functions with appropriate finance by the state government to local bodies will pave the way for sustainable development. Last but not least, relations between the central government and State Government or the State Government and Local Bodies should be such that the governments at all levels must cooperate and coordinate in a way that in case of defaults or irregularities prompt corrective measures can be initiated immediately.

Check Your Progress 2

Note : i) Use the space given below for your answers.

ii) Check your answer with those given at the end of the Unit.

- 1) Explain the three types of emergencies which can be proclaimed by the Union.

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- 2) Analyse the administrative relations among the Centre, State and Local Government.

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14.6 CONCLUSION

The distribution of powers between the centre and states in the legislative and executive fields, as stipulated in the Constitution is clearly delimited in their scope. At the same time the Constitution provides for devices through which cooperation between the Centre and States is facilitated. These include constitution of All India Services, Joint Public Service Commission for two or more states and presence of integrated judicial system. Adequate provisions have been made in the Constitution in ensuring smooth financial relations between the Centre and States, through provision of grants-in-aid, constitution of Finance Commission etc. The setting of Inter-State Council is considered a positive step towards promoting harmonious relationship between the union and states in bringing about overall development of the country.

The Centre has emerged strong over the years, due to centralisation of certain powers in its hands. Through giving of directions to the states backed by a coercive sanction for

their enforcement, exercising supervisory control over the states in the maintenance of law and order, and proclamation of emergencies, the union exerts its control over the states. In this regard, efforts need to be made to make our federal system decentralised on both political and administrative fronts. In the context of State and Local Government, major objective of the control and supervision by the State Government should be to ensure efficiency in the performance of functions by the units of Local Self-Government. The Municipalities and PRIs have no or little control over the state level functionaries. They have to function within the framework of a powerful administrative structure that commands primacy at the district level and loyal to the State Government. In clear words, the Local bodies do not have administrative autonomy in many states. The experience of functioning of these institutions revealed that the cooperative and cordial relations between them are necessary to strengthen the local bodies. In this regard, devolution of powers and functions with appropriate finance by the state government to local bodies will pave the way for sustainable development. Last but not least, relations between the Centre and State Government or the State and Local Government should be such that the governments at all levels must cooperate and coordinate in a way that in case of defaults or irregularities prompt corrective measures can be initiated immediately.

14.7 GLOSSARY

- Sarkaria Commission** : This Commission on Centre-State Relations was formally constituted by the Government of India, Ministry of Home Affairs on June 9, 1983 under the chairmanship of R.S. Sarkaria (a retired judge of Supreme Court). The objective of the Commission was to examine the working of existing arrangements between the centre and the states and recommend such changes in the said arrangement as might be appropriate within the present constitutional framework.
- Article 256** : This provides that the executive power of every state shall be so exercised as to ensure compliance with the laws made by Parliament and any existing laws, which apply in that state and the executive power of the Union shall extend to the giving of such directions to a state as may appear to the government to be necessary for that purpose.
- Article 257** : This Article of the Constitution relates to the power of the Union to give directions to the State governments regarding exercise of executive power to ensure that:
- the exercise of the executive power of the State does not interfere with the exercise of executive power of the Union [257 (1)];
 - the construction and maintenance of means of communication of national or military importance by the State [257 (2)]; and
 - protection of railways within the state [257 (3)].

- : The constitution stipulates that where any state has failed to comply with or to give effect to any directions given in the exercise of the executive power of the union under any of the provisions of the Constitution, it shall be lawful for the President to hold that a situation has arisen in which the government of the state cannot be carried on in accordance with the provisions of the Constitution.

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14.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) Your answer must include the following points:
 - Provision of Article 261 of the constitution.
 - Importance of the clause, which provides acceptance of public acts of both the central and state governments, thereby reducing inter-governmental conflict, confusion and inconvenience.
- 2) Your answer must include the following points:
 - Importance of All India Services with personnel manning administrative positions both at union and state levels, which brings cooperation in administration;
 - All India Services officers get acquainted with state and district administration and carry with them this experience while migrating to the centre to occupy positions of responsibility; and
 - This interchange of experience improves decision-making.
- 3) Your answer must include the following points:
 - Refer Section 14.3

Check Your Progress 2

- 1) Your answer must include the following points:
 - Provisions of Article 356 of the Constitution relating to imposition of President's rule in a state due to breakdown of its constitutional machinery.
 - Proclamation of "national emergency" by the President under Article 352 of the Constitution in times of threat to the security of the country due to war, external aggression or armed rebellion.
 - Declaration of financial emergency under Article 360 by the President, when there is a threat to the financial stability of the country or territory.
- 2) Your answer must include the following points:
 - Refer Section 14.5

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