
UNIT 6 **ROLE OF INTER-GOVERNMENTAL RELATIONS IN POLICY-MAKING**

Structure

- 6.0 Learning Outcome
- 6.1 Introduction
- 6.2 Inter-governmental Relations
- 6.3 Models of Inter-governmental Relations
- 6.4 Inter-governmental Relations: Policy-making Structures and Processes
 - 6.4.1 The Union Level
 - 6.4.2 The State Level
 - 6.4.3 The Local Level
- 6.5 Inter-governmental Relations: Horizontal and Vertical Linkages in Policy-making
- 6.6 Role of Inter-governmental Relations in Policy-making: Review
- 6.7 Conclusion
- 6.8 Key Concepts
- 6.9 References and Further Reading
- 6.10 Activities

6.0 LEARNING OUTCOME

After studying this Unit, you should be able to:

- Understand the meaning and importance of inter-governmental relations in the process of policy-making;
- ¹ Describe the various models of inter-governmental relations;
- Explain the role of inter-governmental agencies in India; and
- Analyse the role of inter-governmental relations in the policy-making process.

6.1 INTRODUCTION

We have observed, after studying the last five Units, that the policy-making process is complex. In the context of inter-governmental relations, there are various agencies and actors that perform their respective roles in the formulation and execution of policies. To be more specific, different organs of the government at distinct levels of their operations have specified tasks to accomplish through policies, which are enacted through different structures. In this regard, we have governments at the union, state, and local levels.

The Indian Constitution provides for a federal set up. It distributes the powers and responsibilities between the Union and the states and makes provision for three lists of subjects: the union list, the state list, and the concurrent list. The union government can make policies on the subjects, which are included in the union list. Similarly, the states deal with the subjects listed in the state list. However, both the union and the state governments can make policies on the subjects included in

the concurrent list. Under special circumstances the union government can issue directions to the state governments for making policies according to the guidelines issued by the union government on subjects, which are in the state list also. Since there are distinct structures at different levels for formulating policies, inter-governmental relations gain significance in this and related spheres. In this Unit, we will highlight on the importance of inter-governmental relations in policy-making, and structures and processes at various levels. We will also describe the interaction between different levels of the government, highlighting the issues and problems of boundaries between them. Other matters discussed in this Unit concern the management of inter-governmental arrangements, and the impact of the latter on policy-making.

6.2 INTER-GOVERNMENTAL RELATIONS

Inter-governmental Relations (IGRs) have been defined as "an important body of activities or interactions occurring between government units of all types and levels within a system" (Anderson, 1960). At present, IGR means relationship between different government organs that involves the relationship between officials, non-officials, citizens and members from civil society. It is difficult for any policy formulator to make policy in isolation, that is, isolated from the effect and impact of the other governmental agencies. Therefore, he/she takes into account the above-mentioned officials and non-officials working at various levels of the policy formulation.

The Union government cannot achieve its goal in an effective and efficient manner without the cooperation of the state and the local governments. For example, the national government cannot increase agricultural production without the support of the state and local governments. Similarly, local government units need the help and support of the union and the state government concerned to meet the challenges relating to the functional spheres. This support may be in terms of political guidance, administrative support and control or financial assistance. Likewise, the union and state governments cannot perform their tasks adequately without the proper support and cooperation of the local government. Thus, for policy formulation the governmental structures at the union, state, and local levels have to interact with each other.

IGRs can be invoked for tackling emergent issues, which require prompt and ready response from the central and / or state governments. We may cite a recent example. In the context of the recent water crisis, the Union Government issued directives to the state governments along with the promise of financial aid to the extent required for tackling the problem of water impurity. The objective was to control diseases like fluorosis and arsenic poisoning, which have acquired endemic proportions in some parts of the country. States have been asked to prepare projects in this regard along with information on financial assistance required to meet the problem. Following this, several states were sanctioned financial aid for this purpose (Economic Times, 5th May, 2006). Thus inter-governmental relations focus on significant aspects of public policy, which is a predominant feature of IGRs.

In the case of epidemics (plague in Surat, Gujarat or bird-flu in Jalgaon, Maharashtra), the problem in one district or state becomes a problem for others too because epidemics do not observe the boundaries of states. In such instances, IGRs are invoked with heightened communication. In the case of natural disasters like cyclones, and floods in inter-state rivers also, mitigation measures are initiated on an emergency footing and in a coordinated manner. Besides, there is information-sharing and continuous interaction among government agencies at various levels.

The major characteristics of IGRs in India are as follows:

- o They have a bearing on all governmental units in operation, that is, the union government, state governments and local government units. All of them are involved in integral policy-making through effective IGRs.

- They aim at purposeful behaviour of the governmental officials involved in the policy process at different levels.
- They aim at regular interaction among public officials, including Ministers, legislators, etc. These functionaries, through frequent interactions based on objective data and analysis, can contribute to the attainment of targets for the given unit of governance.
- Interaction amongst all the government actors and officials contributes to improvement of the policy process.
- Financial aspects, like loans, grants in-aid, revenue sharing, auditing etc., also strengthen or weaken the inter-governmental relations. Financial assistance and help from the upper units to the lower ones is also a step in this direction and an important component of IGRs.
- The planning process (five-year plans and annual plans, with innumerable central schemes and matching aid) is a unique feature of the Indian polity and has considerable influence on the IGRs.

Deil S Wright (1982), while analysing the policy context of IGRs, brings into focus the following significant traits:

- Inter-governmental actors may be unclear or uncertain about the role they are expected to play.
- Policy purposes and expectations in one plane or jurisdiction of government may be drastically different from the purposes and expectations in another case.
- Boundary or jurisdiction-spanning efforts require extra resources and special strategies, but neither strategies nor resources are real guarantors of success.
- Successful policy-making and execution in IGRs are very difficult to measure.
- 4 Policy-making in IGRs has few beginning and ending points, but more continuous knitting and unravelling points.
- Even doubt and distrust, suspicion and hostility are also common in IGRs.

From the above statements vis-a-vis IGRs, there emerges the basic need for clear understanding between the political leaders and administrators at various levels. The policy-makers, at all levels, must clarify the roles and obligations of the agencies and officials involved for carrying out their activities in an efficient and effective manner. The subsequent section is devoted to a description of models of IGR's.

6.3 MODELS OF INTER-GOVERNMENTAL RELATIONS

The Union-State-Local governmental relationship could either be based on the hierarchical control, or there could be an element of coordination between the three, or there could be the element of overlapping. In this regard, Deil S. Wright offers the following models for analysis.

i) Inclusive-Authority Model

This model is based on the principle of hierarchy, and represents a centralised system. The state and local governments depend exclusively on decisions which are nationwide in scope and arrived at by the federal or union government. Here, hierarchy dominates, that is, the state government dominates over the local government, and the union government dominates the state governments. As a result, in this model the state or local governments are viewed as mere appendages of a powerful union government in control of a centralised system. This model is shown in the following diagram 6.1.

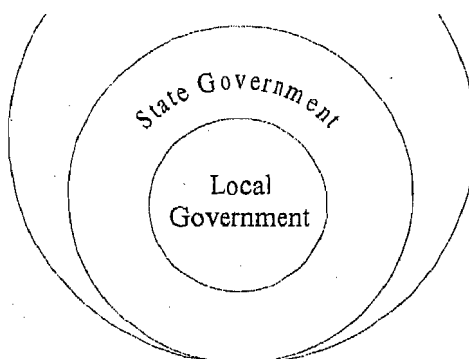


Diagram 6.1: Inclusive –Authority Model

ii) Coordinate - Authority Model

Coordinate-Authority model is an opposite pole to the Inclusive–Authority Model, which posits union-state authority relationship as autonomous. As depicted in diagram 6.2 their respective jurisdictions have distinct domains of power and control. This model aims at the element of coordination of the activities of all the units in the overall interest of the polity and the society. All the units are to work in accordance with the basic spirit of the Constitution of India and established conventions of the land. Although this model does not depict in detail the actual operating features of the union, state, and local relationships, it does do so in a specific case or problem. The elements of this model are accurately represented in the following diagram.

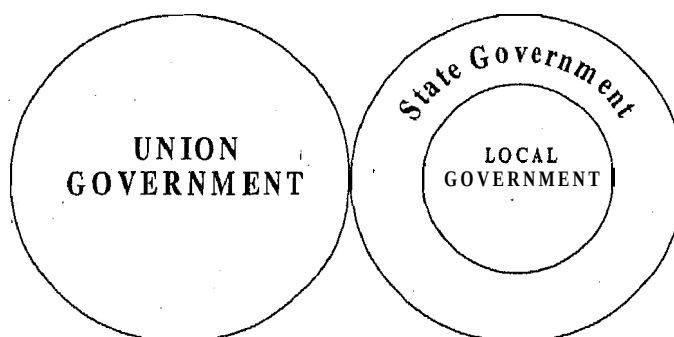


Diagram 6.2: Coordinate – Authority Model

iii) Overlapping-Authority Model

As per this model, each unit has limited dispersed power of operation, but the units are interdependent. The element of interdependence of the units is very much visible in this model. Area of autonomy in specified spheres is limited with regard to each unit. The nature of relationship amongst the units is mostly of bargaining or exchange type. Even the faces of cooperation or competition amongst different units are clearly on the scene. The model (diagram 6.3) describes IGRs as patterned, independent, and bargained behaviour amongst all the units, that is, the union, state and local government units. It is true of their officials also. In addition, contacts and exchanges between officials may be either cooperative or competitive.

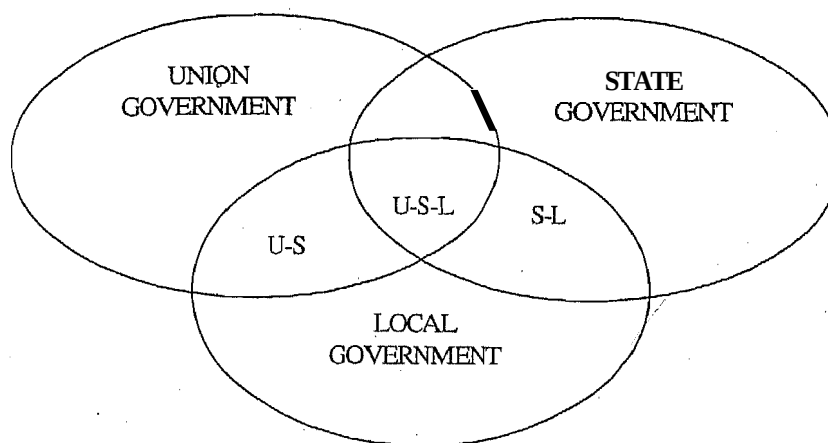


Diagram 6.3: Overlapping - Authority Model

U-S: Union and States.

U-S-L: Union, States and Local government units,

S-L: States and Local government units.

The above stated models present three distinct kinds of relationships amongst the units of the government at the union, state and local levels. The pattern of relationships is dynamic and can undergo changes on the basis of the functioning of the constitution, conventions, circumstances and demands. In the next section, we will explain the model IGRs that we have adopted in India, the structures, and processes in India.

6.4 INTER-GOVERNMENTAL RELATIONS: POLICY-MAKING STRUCTURES AND PROCESSES

The framers of the Indian Constitution and the subsequent lawmakers have consciously sought to ensure that the balance in power and authority should be in favour of the Union. As a result, India adopted a federal system with a unitary bias. Policies in India are made through the structures, which are specifically designed for that purpose. It would be appropriate to mention the following factors as it would help to understand the policy-making structures and processes, and the role of IGRs in a comprehensive manner.

The broadly unitary form of government with its many federal features conferring a degree of autonomy to the states creates a constant interplay of centripetal and centrifugal forces generated by the Centre and the periphery. There are a number of pressures due to large diversities of high magnitude, varying in form, spirit and substance. They influence the policy-makers in formulating policies. Last but not the least, the policies to be formulated by the union or state governments should be in accordance with the basic spirit of the Indian Constitution. In case certain policies are formulated, which go against the provisions of the Constitution the judiciary can declare them as *ultra vires*. Here lies the need for effective IGRs. The policies are made through the specified structures at different levels, that is, union level, state level, and local level.

The union, state and local governments derive their power from the Constitution. They are required to work within the limits of the Constitution of India, which is supreme. The Constitution is written, somewhat rigid, and clearly stipulates the division of powers between the governments at different levels.

The Constitution of India provides for dual policy in which there is the central government at the union level and state governments in the respective states. The third tier of governance, that is, the

local self-government, operates both in the urban and the rural areas. The 73rd and 74th Constitutional Amendment Acts, 1992, have provided constitutional status to the local government institutions.

It is to be noted that the Indian Constitution also provides for division of powers between the union and the states. This division of power finds place in Schedule VII (Article 246) of the Constitution. There are three lists viz., the Union list contains 97 items, the State list covers 66 items, and the Concurrent list includes 47 items. Under the concurrent list both the union and the state governments can legislate on the items specified. Schedules XI (Article 243B) and XII (Article 243W) of the Constitution provide 29 and 18 subjects to the Panchayats and Nagarpalikas respectively. The Constitution of India provides for an independent and impartial judiciary, which acts as a guardian of the Constitution and has the power to interpret it.

The Constitution of India has established an amicable union, combining parliamentary-federal features for policy-making and governance. As it is seen in the case of division of powers, the Constitution ensures the union's legislative supremacy over the union list and also over the concurrent list, and residuary legislative jurisdiction. Even over the state list, the union legislature or Parliament can legislate in specified and exceptional circumstances as per Article 249. It ensures the supremacy of the union parliament in matters of taxation, constitutionally anticipated emergencies, judicial administration, and in constitutional amendments, etc. In practice, analysis of the application of emergency provisions of the Constitution of India, role of the state Governor, and financial dependence of the states upon the union endorses the unitary bias in our Constitution and in certain cases create disturbance in the IGRs.

6.4.1 The Union Level

i) Legislature

As already stated that we have a parliamentary form of government and the authority for policy-making is located in the legislative body, that is, the Parliament, and in the Council of Ministers or Cabinet headed by the Prime Minister. The parliament has two Houses, that is, the Lok Sabha, and Rajya Sabha. The role of Cabinet is mainly to exercise political leadership and direct the administration. The Cabinet Ministers are selected from the members of the Parliament. The Cabinet continues in power so long as it commands the support of the majority of the Parliament. In case of substantial disagreement between the Parliament and the Cabinet, either a new ministry is appointed, or a new Lok Sabha is elected. All the important issues on which the policies are to be framed are placed before the Parliament for its approval. These issues could be placed before either House of the Parliament. Only in the case of financial bills, they are submitted first to the Lok Sabha. The issue put before one House for approval is debated upon, and once approved it goes to the other House.

There is a set procedure to formulate a policy. According to this procedure a bill has to pass through three stages. In the first stage, the mover of the issue introduces it in the House. The title of the bill on which the policy is to be enacted is read and a brief sketch of the policy is submitted to the House. In certain cases, the issue is opposed at this stage itself. In such a situation, the opposition as well as the movers of the bill get an opportunity to explain their respective viewpoints. Once the issue is through the first stage, it goes on to the next stage where all the clauses of the bills are discussed at length. Then the mover proposes whether the bill should be sent to a select committee or joint committee of both the Houses, or it should be considered by the House straight away or it should be circulated for eliciting public opinion thereon. In accordance with the decision taken the bill is further passed on to the concerned channel. In case of referral to a committee, a date is fixed by which the committee is to submit its report to the House. In the report stage, the committee has the power to suggest necessary changes in the bill. These changes are incorporated if the mover

agrees. At this stage, the bill is discussed clause by clause in the House and usually several amendments are made in it. On each clause of the bill the approval of the House is taken. After this stage, the bill enters the third stage. Only such points, which could not be raised earlier, are considered at this stage. Once cleared, the bill goes to the other House. After approval of the Lok Sabha, the Rajya Sabha can suggest changes, which the Lok Sabha may or may not agree with. However, the bill first passed in the Rajya Sabha comes back to the Lok Sabha and the changes, if any, suggested by the Lok Sabha have to be taken into consideration by the Rajya Sabha. Once it is cleared by both the Houses of the Parliament, it is sent to the President for his assent. In case the President suggests certain changes and if the Parliament approves them again without incorporating the suggestions of the President and sends it back to the President, he has to give his assent. In this context, President A.P.J. Abdul Kalam has sent back the Parliament (Prevention of Disqualification) Bill 2006. Thus, in such manner the legislative structure at the union level performs its role in policy-making.

ii) **Executive**

The political and permanent executives play an important role in policy-making at the Union level. The former is responsible to the legislature and so remains in the seat of power till it enjoys the confidence of the Parliament. In addition to the Prime Minister, the Cabinet and the Cabinet Secretariat, and the ministries concerned play important role in policy-making.

Thus, parliamentary democracy leads to policies getting modified as a result of discussion in the Parliament or in consultative committees composed of the members of Parliament. The political executive identifies the issues to be presented before the legislature for formulating policies on the same. The permanent executive has the necessary information regarding the issues to be put on agenda for policy-making. With regard to the issues presented by the opposition party members, they may or may not be accepted by the ruling party. Policy-making also takes place in government departments bearing varied nomenclatures, such as, rules, regulations, bye laws, schemes, orders, notifications, etc. In whichever sense one may use the term, it is a fact that the work of delegated legislation has increased substantially in India. The work of the legislature has increased commensurately because of proliferation of the government in innumerable spheres. In order to cope with it, the legislature delegates some of the legislative work to the executive.

iii) **Judiciary**

Judiciary is mainly the handi-work of the legislature in India but the judiciary also plays a significant role in it. The judiciary is considered the guardian of the Constitution and it is also empowered to undertake judicial review. Also, it decides all disputes arising between the union and the states, and between different states, and generally among different units of the constitutional edifice. The Supreme Court and the High Courts decide on the constitutionality of issues brought before them, besides interpreting specific provisions of a Statute or executive order. Judicial decisions provide legitimacy to policies of the government. In this context if the higher judiciary finds that the policy is, wholly or in part, not in accordance with the provisions of the Indian Constitution, then the policy, totally or in part; can be declared unconstitutional or invalid.

6.4.2 The State Level

i) **Legislature**

For the enactment of policies on matters falling in the state list, the procedure adopted by the state legislature is similar to that of the mechanism followed by the union legislature. Most of the newer states are unicameral and only a few states (5 states out of 29), that is, Uttar Pradesh, Maharashtra, Bihar, Karnataka, and Jammu and Kashmir still remain bicameral. In this regard, some of the most progressive states are unicameral as it is easier to pass or modify laws besides incurring less

expenditure due to the establishment (July 2006, Wikipedia). The state executive is responsible to the legislature and remains in power till it enjoys the confidence of the legislature. Besides making policies on the state list subjects, the state legislature can make policies on concurrent list subjects also provided such legislative measures are not against any policy enacted by the Union Legislature.

ii) **Executive**

Similar to the structure of the Executive at the Union level, the states have a number of ministries with responsibility for initiating policy and proposals before the State Cabinet for preparing agenda for the state legislature. The departments in the State Secretariat perform the task of gathering data and information regarding proposals for policy falling under each department's jurisdiction. In this task, the permanent executive, that is, the bureaucracy assists the political executive.

6.4.3 The Local Level

i) **Elected Representative**

As already noted all elected and appointed officials have a substantial role to play in the enactment of policies at their respective levels. The local government units, as per the statutes of the respective states, are in existence at the district, block/mandal, and village levels. There are municipal corporations, municipal committees and municipal councils, depending upon the size of population of designated urban areas. In the rural areas of each state, Gram Sabha and Village Panchayats at the village level, Panchayat Samiti at the block level, Zilla Parishad at the district level, and identified committees frame policies on the basis of the needs of the local constituents, area, and the available resources. In this context, the directives issued by the Union and state governments regarding any local measures are taken into consideration.

ii) **Executive**

The permanent executive, that is, the bureaucracy operating at the local and state levels also plays a significant role in policy-making and implementation. It provides guidance, information, and feedback in policy-making, besides identifying limitations of various sorts including resource constraints.

Role of Inter-Governmental Agencies

Issues get translated into policies after being approved by the respective legislatures. At the level of the legislature, there are number of processes involved in policy-making. In addition, different ministries and agencies are involved in the policy-making function. These agencies include the Planning Commission, the National Development Council, the Finance Commission, etc. They play a crucial role in formulation of policies in the context of Inter-governmental Relations (IGRs).

Planning Commission

The Planning Commission and the National Development Council (NDC) have promoted regular and useful centre-state consultation and coordination on sectoral issues. The Planning Commission advises the government, (both central and states) on the priorities, strategies and size of the plan(s); and on mobilisation and allocation of resources. The Commission performs its role by maintaining a close liaison and interaction with the union ministries as well as with government of the states. The process of planning and the role of the Planning Commission, described elaborately in Unit 7, bring out vividly the integrative aspects of IGR. The Commission has to take into view the data provided by Planning Boards/Committees of the state and district levels while formulating plans. Even the

NDC acts as a forum for interaction between the Planning Commission, the Union government, and the states in the process of finalisation of the plan. Therefore, it can be stated that in strengthening inter-governmental relations, the Planning Commission and the NDC perform crucial tasks.

Finance Commission

Article 280 of the Indian Constitution provides for the Finance Commission. The role of Finance Commission in IGRs is also relevant as it recommends to the President of India the net proceeds of the taxes to be distributed between the centre and the states, and the respective shares of the states. The Finance Commission also suggests the principles, which govern grants-in-aid to the states out of the Consolidated Fund of India. While making its recommendations, the Finance Commission usually keeps in view the framework of the five-year plans. The Planning Commission also keeps in view the suggestions and recommendations made by the Finance Commission. However, the focus of the Finance Commission is on the revenue gaps and the financial requirements of the states.

6.5 INTER-GOVERNMENTAL RELATIONS: HORIZONTAL AND VERTICAL LINKAGES IN POLICY-MAKING

We have seen that in the Indian federal polity, the Union government is very powerful and strong. Even then, the states also enjoy certain autonomy; for example, the states can make policies on the subjects included in the state list. In this regard, generally, the Union government is not supposed to interfere. However, through the grant-in-aid given by the Union or by the international agencies for specified projects to the states, the Union government interacts with the states for making policies accordingly. Here issues, such as, proclamation of internal emergency, referral of some of the bills passed by the state legislature to the President by the Governor for his approval before giving assent to it, and a resolution passed by the 2/3rd majority in the Rajya Sabha to give power to the Parliament to legislate on subjects mentioned in the state list in the national interest, etc., highlight some checks on the states' autonomy and reveal the upper hand of the Union government in specified areas. These provisions also reflect the role of the Union government in the policy-making process of the state governments.

Over the years, the state governments have exercised tight controls over local government units, partly because of the latter's financial dependence, and partly because of statutory controls. The 73rd and 74th Constitutional Amendments have ensured a substantial measure of autonomy to them in policy-making. Despite this, the state governments continue to exercise control over them.

The Union government interacts with the local government units regarding their projects and programmes, either directly or through the respective state governments.

The role of agencies like the Inter-state Council and the Zonal Councils, and fora like the local periodic meetings/conferences of the Chief Ministers, and annual meets of the Governors, etc. also signifies the importance of inter-governmental interaction in policy-making. Zonal Councils promote inter-state cooperation in some areas. They also enable the centre and the states to cooperate and exchange ideas and solve problems. In addition to the above, there are a number of statutory and ad hoc organisations concerned with sharing of water or power with the administration of irrigation/power projects, such as, the Damodar Valley Corporation, Bhakra Nangal, Narmada River Valley Project, Tungabhadra Dam, etc. that play some role in policy-making.

Horizontal Linkages in IGRs

There are also horizontal linkages at each level of the government. Horizontal relationships between different organs play a substantive role in the policy-making process.

In policy-making that falls within the broad framework of related socio-cultural issues, a large number of ministries are involved. Same is the case with some areas of economic development. The departments dealing with agricultural research, atomic energy sphere, defence, research, science and technology, and electronics frame policies, which deal with various aspects of the scientific spectrum. However, in areas like defence and foreign affairs a single ministry may sort out issues. The permanent executive in each area of policy-making needs adequate coordination among different departments and subordinate agencies concerned with a policy cluster. In this context, as per the Administrative Reforms Commission, "the Prime Minister has an unenviable responsibility to keep the enthusiastic minister from going too far or too fast and prodding the laggard into action. He has the overall responsibility for coordination and providing leadership in policy formulation, as well as, implementation. The Chief Ministers have analogous function to perform in states". Cabinet committees/sub-committees or committees of secretaries of the departments concerned are important device for coordination.

The permanent executive has a significant part to play in policy-making. The role of the Cabinet Secretary at the Union level, and the Chief Secretary at the state level is worth mentioning. The Prime Minister and the Cabinet Secretary at the Union level, and Chief Minister and Chief Secretary at the state level play important roles in the effective functioning of the Cabinet and its committees, as all-important policy matters are referred to these committees.

The judiciary also plays a crucial role. As per article 32 of the Indian Constitution, the Supreme Court has the power to issue "directions, orders or writs" to the executive to enforce the laws duly and check executive arbitrariness. The Supreme Court and the High Courts have been making use of it in response to public interest litigation. Courts have taken an 'activist' stance with regard to matters that concern the everyday life of the citizens, especially with regard to pollution control and other matters concerning environmental legislation, and protection of human rights. Some recent instances of judicial activism may be cited. The recent Supreme Court order stopping all construction work at Mall sites in Delhi (2006) on a Public Interest Litigation challenging the permission granted by the authorities for construction in 92.5 hectare of land in the Ridge Area, which would lead to heavy environmental damage. The land had been auctioned by the Delhi Development Authority (Supreme Court Judgements, 2006). In another significant judgment, the Social Welfare Department of the Delhi Government was reprimanded by the Delhi High Court for its scant regard for employee welfare. Some employees working in various children's homes were being paid just Rs. 33/- per day, which was far below the prescribed minimum wage. This was in response to a petition filed by one of the employees of the Department. (Hindustan Times, May 5, 2006).

In addition, the committees of the Parliament also play a significant part in policy-making. They include the Public Accounts Committee, Committee on Public Undertakings, Estimates Committee, etc. The Government is accountable through audit to the Public Accounts Committee for its annual expenditure, and for resource allocation to the Estimates Committee. Similarly, for their performance the public undertakings are answerable to the Committee on Public Undertakings. The reports of these committees have some impact on legislation as they are based on detailed examination and thorough probing. Hence, these committees indirectly influence policy through necessary directives and 'advice'. However, unlike the work of the committees of the U.S. Congress, our parliamentary committees' work is of a post-hoc nature. Their work starts only after a policy is executed. With the result, their observations will impact on future policies only.

The Inter-State Council (ISC) was established in 1990 with the Prime Minister as its chairman. Its first meeting was held on 10th October 1990. The Council has taken a view on all the 247 recommendations made by Sarkaria Commission. Out of 247 recommendations, 57 have not been accepted by the ISC/administrative ministries, 175 have been implemented, and 15 are at different stages of implementation (Rastogi, 2005).

In some cases, policy issues that come up do not exclusively fall within the jurisdiction of single state or the Union. Examples are matters relating to river waters, environmental control, naxal problem or inter-state transportation by road. The Cauvery water dispute has brought to the fore the confrontation between the states of Karnataka, Tamil Nadu and the Union government. Thus, to formulate a policy in this regard coordination and cooperation among the three governmental units has become necessary. Boards, tribunals or standing or ad hoc committees are often constituted to resolve such matters or disputes as they call for continuous interaction between the Union and different state governments for policy-making. Thus in the context of IGRs, interaction between the Union, State, and Local governments as well as between different state governments and local government units is imperative. Such interaction is usually characterised by cooperation, and at times by competition or conflict.

6.6 ROLE OF INTER-GOVERNMENTAL RELATIONS IN POLICY-MAKING: REVIEW

Facilitating cooperation and interaction between IGRs ensures that changes envisaged in policy matters are brought about smoothly, and national and regional interests do not clash with each other. This relationship has certain dimensions in policy-making, that is, legislative, administrative, and financial.

The Constitution of India clearly highlights the equation between the union and the states in terms of distribution of power. It clearly shows that the area of jurisdiction of the centre is larger, giving a tilt in favour of the Union. The centre has the authority to initiate legislation in the Parliament on policy matters included in the concurrent list to obtain all-India uniformity. Besides, the residuary powers are vested in the Union Parliament. The Union is empowered to legislate for two or more states by their consent (Article 252). Moreover, it can make any law for implementing any treaty, agreement or convention with any other country or countries or any decision made at any international conference, association or such other body (Article 253). Article 356 also provides for the imposition of President's rule in a state. In such an instance, the legislature of the state in question would stand dissolved or suspended and the law-making power would rest in the Parliament during that period. There is also a provision for President's veto power over the state legislation, under certain circumstances. (Articles 200 and 201). However, this power does not extend to money bills. The various constitutional provisions, conventions, and practices highlight the supremacy of the Union in the IGRs, especially in the context of the policy process.

In India, the administrative relations between the centre and the states also reveals the enormity of control of the union on the states in the area of administration. The executive power of every state is to be exercised to ensure compliance with the laws made by the Parliament (Article 256). In case of the Union executive he/she is empowered to give such directions to a state as may appear to the Government of India to be necessary. Further, the presence of All-India Services makes the authority of the central government dominant over the states. The Indian Constitution makes provision for the creation of new All India Services by the Parliament (Article 312). Moreover the emergency provisions (Article 352 to 360) empower the President in effect to suspend the Constitution and to take over the administration of a state or states, if there is a threat to the

security of the nation, or a breakdown in the constitutional machinery of a state or states, or a financial emergency. Further, through the appointment of Governors by the President, the union has influence and control over state affairs. All these provisions reflect the dominance of the Union in administrative matters and the policy process of states.

Besides legislative and administrative relations, the union government exercises its dominance in matters of finance also. The financial dependence of states leads to tensions in IGRs in policy-making. The states often complain that the centre had not shared taxes with them in accordance with the spirit of the Constitution. Even the Planning Commission, which is an extra-constitutional body, has become a kind of 'super government'. The states consider union policies as arbitrary, citing the growing burden of interest repayment. In this regard, twelfth Finance Commission has recommended for a debt consolidation and waiver scheme for states linked to fiscal responsibility. In pursuance of the accepted recommendations of the Commission, external loans to state governments are to be given on the same terms and conditions as it is received by the Central Government. (Economic Survey, 2005-2006)

Thus, it is evident that the entire scheme of the distribution of power displays a strong tendency towards a high degree of centralisation. In this system the structural-functional balance is in favour of the centre, that is, the reason for tension between the union and the states. It further deteriorates the process of governance. There are a number of provisions, which precipitate the tension between the union and the states, which will be discussed subsequently.

In inter-governmental relations, the office of the Governor is highly contentious and has allegedly been repeatedly misused to facilitate central intervention in the affairs of states. The Governors are facing a controversy for their highly political and partisan role. He/she acts as an agent of the centre in decisions on the appointment or dismissal of a Chief Minister; decisions on the summoning, proroguing and dissolution of state assemblies; and in recommending President's rule. The alleged partisan role of the Governor has been the focal point in union-state conflicts and a gross imbalance in IGRs in policy-making.

In IGRs, one major area of conflict is the power of creating new All-India Services, which has been vested in the Rajya Sabha. Control over the All-India Services is another irritant. The centre recruits and appoints members of the All-India Services, through the Union Public Service Commission (UPSC). They serve in the state, paid by the state, but the UPSC and the Union Home Ministry govern their service rules. This is another feature of the unitary character of Indian polity, which contributes to inter-governmental conflicts.

In addition, continuous encroachment by the centre on items mentioned in state list, unjust division of powers between the centre and the states in economic and financial spheres, the emergency provisions of the Constitution, the office of the Comptroller and Auditor General of India, the Election Commission of India etc. are responsible for strained relations. Above all, the centre's desire to maintain its political hegemony and the demand of the states for greater political power and economic resources have considerably strained inter-governmental relations.

The Acts passed by most of the state governments have not specified the statutory assignment or division of net proceeds of taxes. Similarly, almost all states give general and specific grants-in-aid to their local bodies. They also pass on the money received for implementation of centrally-sponsored schemes. West Bengal and Kerala fare better than the other states in this regard.

The third tier of governance has an important bearing on inter-governmental relations as it plays significant role in the process of governance. In the context of working of the local-self governance the continuance of myriad centrally-sponsored programmes/schemes on subjects allocated to state and local governments are anachronism.

The main objective of Article 243G is to ensure that panchayats function as institutions of self-government. In this context, an essential step is to undertake activity mapping relating to devolved functions (29) with a view to attributing each activity to the appropriate level of panchayat, keeping in mind the principle of subsidiarity (Panchayati Raj Update, 2006). However, it has been observed that there has been no substantial devolution of administrative and financial powers of the states and as such the local bodies lack autonomy in respect of the activities assigned to them, which is lucidly presented in Annexure-I. At the district level, various line departments/agencies implement programmes and functions under the overall supervision and control of the District Collector/District Magistrate. While making policy, the sphere of activity of each tier under each item has not been defined and left to the discretion of the concerned state government. In addition to this, the practice of handing over authority in various matters of rural development to district committees headed by District Ministers is another retrograde step in many states.

Many states, including Madhya Pradesh, Rajasthan and Uttar Pradesh, provide for nomination to MPs and MLAs in local bodies, thereby weakening the growth of local self-government. They influence not only the electoral outcome, but also decision processes of the respective local bodies. These tendencies vitiate democracy at the grass roots level and does offence to IGRs.

The District Planning Committees (DPCs) are expected to play a very important role in preparing draft plans for the districts concerned. In practice, the DPCs have been made ineffective. In this regard, it is suggested that the DPCs should be made effective and the district plan prepared by the rural and urban local bodies should be approved by the state government without any major change. Planning from below, it needs realisation, is the corner-stone of local self-governance,

6.7 CONCLUSION

It is evident from the review of this Unit that the IGRs are an important aspect of policy-making at different levels of the government, and for meeting the over-all objectives of a democratic polity. The Indian Constitution makes provision for distribution of powers in a quasi-federal set up. There are also enactments for devolution of authority to local government units. The Unit also described the different models of relationship between distinct government levels. In the Indian context, the respective roles of governmental structures at the union, state and local governments in policy-making have been discussed. It was noted that the effectiveness of IGRs for problem solving and for generating appropriate policy, responses on the part of each stakeholder require greater empowerment of participatory institutions at the state and local levels. Conflicts in IGRs, it was suggested, have implications for their strategies, behaviours, and levels of effectiveness. At present, especially in the era of coalition government, management of cordial IGRs gains priority for proper policy-making and implementation..

6.8 KEY CONCEPTS

- Delegated Legislation** : The term refers to the rule-making power of the executive over matters for which authority is transferred to it by the legislature. It also refers to the output of rules, regulations, orders, etc. of the executive.
- Inter-State Council** : It is an effective body for consultations between the Centre and states. Under Article 263 of the Constitution the President is given the power to define the nature of the duties of the Council. This Council inquires into, and advises upon disputes, which may have arisen between the states.

Quasi-federal : A weak federation in which the Constitution allocates more powers to the federal government to the detriment of the autonomy of the states.

6.9 REFERENCES AND FURTHER READING

Anderson, William, 1960, *Inter Governmental Relations in Review*, University of Minnesota Press, Minneapolis.

Bakshi, P.M., 2004, *The Constitution of India*, Universal Law Publishing Co. Ltd., Delhi.

Benton, J. Edwin, and David R. Morgan (Eds.), 1986, *Intergovernmental Relations and Public Policy*, Greenwood Press, New York.

Dayal, Ishwar, Abhijeet Dutta and Utpal K. Banerjee, 1975, *Dynamics of Formulating Policy in Government of India*, Concept, New Delhi.

"Government Plans to Eradicate Fluorosis, Arsenic Poisoning by '09", *The Economic Times*, May 5, 2006, New Delhi.

Government of India, Administrative Reforms Commission 1969, Report of *Machinery of Government of India and its Procedures of Work*, the Manager of Publications, New Delhi.

Government of India, *Administrative Reforms Commission*, 1969, Report on Centre-State Relationships, the Manager of Publications, New Delhi.

Government of India, Ministry of Finance, Economic Division, *Economic Survey 2005-2006*, New Delhi.

Government of India, 1988, Report on Centre-State Relations, Vol.1, (Chairman: Justice R.S. Sarkaria) Government of India Press, New Delhi.

Government of India, 2005, Report of *the Twelfth Finance Commission*, New Delhi.

Government of India, "Union Public Service Commission", *55th Annual Report*, 2004-05, UPSC, New Delhi.

Government of India, Ministry of Personnel, Public Grievances & Pensions, *Annual Report 2005-2006*, New Delhi.

Indira Gandhi National Open University, 1993, BDP Course Material, EPA-06 Public Policy, Block No.2-Policy-Making: Structures and Processes-I.

"List of States of India by type of Legislature", Wikipedia—Encyclopedia, <http://www.wikipedia.org>.

Mishra, S.N. and Sweta Mishra, 2002, *Decentralised Governance*, Shipra Publications, New Delhi.

Nandini, Durgesh, 2005, *Relationship between Political Leaders and Administrators*, Uppal Publishing House, New Delhi.

Rastogi, A.K., "Changing Profile of Federal Governance in India", 2005, Akhtar Majeed (Ed.), *Federal India: A Design for good Governance*, Manak Publications, New Delhi.

Santhanam, K., 1963, *Union-State Relations in India*, Asia Publishing House, New Delhi.

"S.C. Reserves Verdict on Delhi Ridge Area Malls", S.C. Judgements, Supreme Court of India Resources from indlaw at <http://www.scjudgement.com>

Singh, M.P., "New Federalism in India", *Politics in India*, Vol.1, No.3, October, 1996.

"Status of Activity, Mapping in States and UTs", *Panchayati Raj Update*, Vol. XIII No.5, March 2006, Institute of Social Sciences, New Delhi.

Thandavan, R., 1994, *Intergovernmental Relations in India*, St. Martin's Press, New York.

"Welfare Department pays Rs. 33/- to staff, HC aghast", Hindustan Times, May 5, 2006.

Wright, Deil S., 1982, *Understanding Inter-governmental Relations*, Brooks/Cole Publishing Company, California.

6.10 ACTIVITIES

- 1) Analyse the role of inter-governmental agencies in policy-making.
- 2) Outline the various models of inter-governmental relations, and describe the structures and processes at the Union Level.
- 3) Identify any important policy decision with conflict potential for inter-governmental relations. Discuss its impact on policy.
- 4) Visit a policy-making body at the local level. On the basis of your observations, comment upon its working and relationship with other governmental organisations.

Annexure-1

Status of Activity Mapping

The status of activity mapping (AM) with respect to each state as on 16-3-2006 has been presented in the following table.

State/ U T	Subjects transferred	AM under- taken	Notes	State/ U t	Subjects transferred	AM under- taken	Notes
Andhra Pradesh	17	9	AM for critical subjects like housing not done. Only 8 departments have passed orders for transfer of funds and functionaries.	Manipur	22	22	
				Orissa	25	7	Fiscal transfer yet to be made
				Punjab	7	—	Draft AM prepared
				Rajasthan	29	12	AM done for agri-culture, soil conservation, PHED , elementary and secondary education\ health and family welfare, irrigation, forest, industry, food, tourism, PWD, energy, technical education
Arunachal Pradesh	—	29					
Assam	29	29					
Bihar	25	—					
Chhattisgarh	29	27	Executive orders not issued (Except forest and drinking water supply)				
Goa	6	18	18 functions devolved to GPs, 6 to ZPs.	Sikkim	28	—	
Gujarat	15	14	Only 5 subjects partially devolved.	Tamil Nadu	29		Instructions issued for devolving all subjects to panchayats, but no actual devolution
Haryana	—	10	Subjects yet to be transferred.	Tripura	29	21	Orders were issued for devolution of 21 subjects in 1994.
Himachal Pradesh	26	—	15 departments have issued orders delegating powers to panchayats.	Uttar Pradesh	12	—	AM completed in respect of 32 departments. Implementation yet to take place.
Karnataka	29	29	AM implemented through fiscal devolution in 2005-06 budget with regard to 26 subjects	Uttaranchal	14	9	Orders for devolution of 3 departments issued
Kerala	26	26	119 activities relating to 19 functions devolved. AM has been revised with complete details.	West Bengal	29	15	Orders issued in respect of 15 subjects for which AM has been completed.
				A&N Islands			AM in progress
Madhya Pradesh	23	7	AM prepared by an NGO, Samarthan. Yet to be considered by government.	D&N Haveli	3		AM completed
				Lakshadweep	—		
Maharashtra	18	—	No move to undertake AM	Chandigarh	—		

Source: Ministry of Panchayati Raj, Government of India