

Explain the constitutional distribution of legislative, administrative and financial powers between the Union and the States. Analyse how recent policy initiatives have tested this balance.

Understanding Question- Finding Information

- **Precise Syllabus Mapping:** Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein. **(GS Paper – II)**
- **Marks and Words Limit:**
 - The marks-oriented approach to answering **(10-mark, 150-word)** questions in the question is to use **Bullet Points** (one idea per bullet point), **Brainstorming**, or a combination of both.
 - The way to score good marks in questions worth **(15 marks. 250 words)** is to use the **Heading** and **Subheading** method while writing your answers.
- **Directive words**
 - Explain → Describe the constitutional framework clearly
 - Analyse → Examine impact, tensions and implications
- **Focal points of the questions:**
 - Constitutional distribution of powers: Legislative, Administrative and Financial
 - Testing of federal balance by recent policy initiatives

Answer Writing Structure

A. Introduction Paragraph

- Constitutional anchoring
- Federal spirit

B. Body Paragraph

a. Constitutional Distribution of Powers

Dos & Don'ts: Present systematically, not narratively

- **Legislative Powers**

- Division through Union, State and Concurrent Lists
- Parliament's supremacy in: Residuary powers, National interest and emergency situations
- Concurrent List allows joint law-making

- **Administrative Powers**

- States implement most laws, including Union laws
- Centre can: Give directions to States, Deploy All India Services
- Reflects administrative federalism with unitary tilt

- **Financial Powers**

- Union controls: Major tax bases, Borrowing powers
- States depend on: Tax devolution, Grants-in-aid
- Finance Commission as balancing institution

b. Testing of Federal Balance by Recent Policy Initiatives

Dos & Don'ts: Avoid listing schemes; focus on federal implications

- **Fiscal Centralisation Trends**

- Changes in tax structure affecting State revenues
- Conditional transfers and tied grants
- States' concerns over fiscal autonomy

- **Centrally Driven Policy Frameworks**

- National policy templates with limited State flexibility
- Shift from consultation to coordination challenges

- **Use of Concurrent and Residual Powers**
 - Expanding Union role in traditionally State domains
 - Raises debates on constitutional overreach
- **Institutional Mechanisms under Stress**
 - Role of inter-state councils and federal forums
 - Need for deeper cooperative engagement

C. Conclusion:

- Balance + forward-looking tone

Dos & Don'ts

- **Do for Maximum Marks**
 - ✓ Can use Brainstorming Idea: Constitutional division → Policy initiatives → Federal tensions → Need for cooperation
 - ✓ Anchor answers in constitutional provisions
 - ✓ Maintain neutral, analytical tone
 - ✓ Show Centre–State balance, not confrontation
 - ✓ Use institutional language (federalism, autonomy)
 - ✓ Link current issues to constitutional framework
- **Don't do these Common Mistakes**
 - × Don't write scheme-heavy or data-heavy answers
 - × Avoid political or opinionated language
 - × Don't ignore States' perspective
 - × Avoid extreme “centralisation vs states' rights” framing
 - × Don't forget administrative and financial dimensions

Notes Oriented Content for Writing Answer

The Indian Constitution establishes a federal system by dividing legislative, administrative, and financial powers between the Union and the States, predominantly under Parts XI and XII, utilizing the Seventh Schedule for functional demarcation. Recent policy initiatives have strained this balance, leading to debates over centralisation versus state autonomy.

Constitutional Distribution of Powers

The Constitution distributes powers across three domains:

- **Legislative Powers (Articles 245–255):**
 - **Territorial Extent:** Parliament can legislate for the whole or any part of India; State Legislatures for their respective states.
 - **Seventh Schedule:** Categorises subjects into the Union List (98 subjects like Defence, Banking), State List (59 subjects like Police, Public Health), and Concurrent List (52 subjects like Education, Forests).
 - **Residuary Powers:** Article 248 vests the power to legislate on subjects not in any list (e.g., Cyber Laws) exclusively in the Parliament.
- **Administrative Powers (Articles 256–263):**
 - **Compliance:** States must exercise executive power to ensure compliance with Union laws (Article 256).
 - **Directions:** The Union can give directions to states for maintaining communication of national/military importance (Article 257).
 - **All-India Services:** Controlled by the Centre but serve the States, acting as a bridge for administrative uniformity.
- **Financial Powers (Articles 268–293):**
 - **Taxation:** Clear demarcation of taxing heads. The Union levies taxes on subjects in the Union List, while States levy taxes on the State List.
 - **Devolution:** The Finance Commission (Article 280) recommends the distribution of net tax proceeds between the Union and States.
 - **Grants-in-Aid:** Articles 275 (Statutory) and 282 (Discretionary) allow the Union to provide financial assistance to states.

Recent Policy Initiatives Testing the Balance

Recent shifts have often moved toward centralisation, sparking debates on "Cooperative" vs. "Coercive" federalism.

- **Goods and Services Tax (GST):**
 - **Erosion of Autonomy:** Subsumed most state indirect taxes (VAT, Entry tax), shifting power from state legislatures to the GST Council.
 - **Compensation Issues:** The end of the GST Compensation Cess in 2022 and delays during the pandemic created fiscal stress for manufacturing-heavy states.
- **National Education Policy (NEP) 2020:**
 - States expressed concerns that a uniform national policy might overlook regional and linguistic diversity, potentially infringing on their Concurrent List powers over education.
- **Legislative Interventions (Farm Laws & Epidemic Diseases Act):**
 - The now-repealed Farm Laws were seen as the Centre encroaching on "Agriculture," a State List subject.
 - During COVID-19, the use of the Epidemic Diseases Act and Disaster Management Act saw the Union taking direct control of local health administration.
- **Fiscal Asymmetry (Cesses & Surcharges):**
 - The Union's increasing reliance on Cesses and Surcharges which are not part of the divisible tax pool has reduced the actual share of revenue reaching the states.

To conclude, the constitutional distribution of powers in India establishes a "quasi-federal" framework designed to balance regional autonomy with national integrity. While the Seventh Schedule clearly demarcates legislative, administrative, and financial domains, the system is fundamentally tilted toward the Union to ensure stability during crises. Ultimately, these shifts reflect a move toward "Cooperative Federalism," where the Union and States are forced into greater interdependence, though often at the cost of the States' traditional fiscal and policy-making autonomy.
