ANALYSIS OF IMPLICATIONS OF CENTRAL LAWS ON THE STATE LIST

Kotta Lakshmi Sharan, School of Law, Christ (deemed to be University)

ABSTRACT

This paper discusses the consequences of central laws on the State List in the Indian federal system with particular focus on the constitutional and judicial procedures that stipulate the allocation of legislative authority between the Union and States. It critically looks at the ways in which the constitutional provisions of Articles 249, 250, 252, 253 and 356[1] allow the Central government to legislate on State subjects straight away causing tensions with the State autonomy. The paper examines such judicial doctrines as the pith and substance and the concept of repugnancy that are used to interpret the validity of the legislation and to solve the conflicts. The paper has outlined the changing nature of the balance between the power of the central government and the sovereignty of the States, particularly the economic reforms of GST and social reforms like the farm laws. The study highlights the need to uphold federal harmony, State autonomy, and cooperative federalism in the Indian constitution.

Keywords: Federalism, List of States, Central Laws, case law, Constitution Law, India, Parliamentary Power, Federal balancing, judicial interpretation, cooperative federalism.

[1] The Constitution of India arts. 245–263, Seventh Schedule, https://legislative.gov.in/sites/default/files/COI.pdf

Introduction

The federal framework of the Constitution governs the relationship between the Union and the States in India, particularly the division of legislative powers in the Seventh Schedule. The "State List" (List II) enumerates matters over which States have exclusive legislative competence. However, under certain constitutional provisions, the Union Parliament can legislate on subjects listed in the State List. The implications of such central interventions have been widely discussed in constitutional law scholarship, political science literature, and judicial pronouncements. India's legislative framework is mostly concentrated in parliament, having more power than the state legislatures. In Article 254, it is stated that the Central laws have supremacy over State laws in the Concurrent List. It was often seen as a restriction of federalism and a curtailing of the functions of state legislatures. Numerous issues surround the federalism enforcement and the degree of state sovereignty. Parliament's overriding authority has weakened the federal balance.

This central dominance, according to jurists like B.R. Ambedkar, H.M. Seervai, and D.D. Basu[2] is a reflection of the "quasi-federal" character of the Indian Constitution. The doctrine of pith and substance, developed in cases like State of Bombay v. F.N. Balsara (1951)[3], allows courts to determine the true character of legislation when there is overlap between lists, often resulting in central laws surviving challenges of State List encroachment.

Literature Review

K.C. Wheare calls the Indian system of federalism to be quasi-federal, since it contains a mighty central government with a lot of independent authority of states[4]. Granville Austin pays attention to the idea of the framers that unity and diversity should be in balance, and central intervention can be provided under extraordinary conditions only[5]. M.P. Jain simply states that the Articles 249-253 serve as constitutional safety valves where the Union may protect

[2] D.D. BASU, COMMENTARY ON THE CONSTITUTION OF INDIA (9th ed. 2019) https://www.ebcwebstore.com/product/dd-basu-commentary-on-the-constitution-of-india-vol-1-to-vol-15-in-16-volumes?products_id=37146

[3] State of Bombay v. F.N. Balsara, AIR 1951 SC 318 (India). https://www.dhyeyalaw.in/state-of-bombay-v-falsara

[4] K.C. WHEARE, FEDERAL GOVERNMENT (Oxford Univ. Press 1951). [Link]

[5] Granville Austin, The Indian Constitution: Cornerstone of a Nation (Oxford Univ. Press 1966). [Link]ma

themselves but allows states room to exist signifying a fine line redirected between the national government and local self-sufficiency.

Articles 249 through 253 and 356 of the constitution provide stipulations upon which parliament will be permitted to enact Acts on State Lists items, most of which are the exclusive prerogative of states. These are those related to the national interests resolutions, emergency, a request of more than one state, treaty enforcement, and President Rule. Judicial interpretations, especially in cases such as Union of India v. Dhillon[6] and S.R. Bommai v. Union of India[7], have explained such powers and given a check to them to avoid any abuse. Pith and substance doctrine also helps the courts to solve disputes by comparing the actual nature of the legislation that is depicted through the law debates previously surrounding the farm act and other non-core areas.

It is seen that there is tension between political practice and constitutional frameworks, this is found relevant in the scholarly debates. Louise Tillin and other articles explain how the central laws, such as the farm legislation in 2020 and GST reforms, tend to question the state autonomy and influence the centre-state relations. There is empirical research findings that explain why fiscal centralization increases asymmetries, which influences federal harmony. Such legal principles as repugnancy in the Article 254 promote harmony in overlapping areas, yet on the whole, there exists the fear that the ongoing practice of central legislative authority may strive away the mutual aspects of federalism as embodied in the Constitution.

Scheme of Study (Body of the Paper)

With unmatched balance between the unity and diversity, between federalism and central authority, about which the Indian Constitution of 1950 is witness. Its complicated character underlines the partition among the powers of legislation by utilizing the elaborately drawn up system, which allocates particular things to the Union, to the States, or to both. The myth of this division is based on the constitutional provisions of Articles 245 to 263 as well as the Seventh Schedule. All these articles and schedules combine together to develop the sphere in which the Union Parliament and the State governments work, establishing a perplexity of system devised to govern the different interests of a heterogeneous and large nation.

[6] Union of India v. H.S. Dhillon, (1972) 2 SCC 779, AIR 1972 SC 1061 (India).
[7] S.R. Bommai v. Union of India, (1994) 3 SCC 1, AIR 1994 SC 1918 (India)

The central feature of this framework gives credit to the federal nature of India. In contrast to the division of sovereignty as it is in the case of classical federations, the system of federalism in India has been commonly referred to as quasi-federal wherein the Union has considerable authority to interfere with state affairs, particularly during a crisis. The design of the Constitution was informed by the acknowledgement that the unity of India and stability hinged on some level of a central power, according to the Constitution, but one and another objective of the Constitution was to accommodate the autonomy of the States. The Seventh Schedule divides subjects into three lists: the Union List, State List and Concurrent List. These lists, however, are not administrative divisions but subsume within the constitutional philosophy of divided sovereignty the Union List which has subjects such as defense, foreign affairs, and atomic energy; the State List which can have such subjects as health, agriculture, and police; and the Concurrent List which may include such subjects as education, forests, and marriage, a shared prererogative of the Union and the States alike.

Although divided in such a manner the constitution had its own prediction about situations when the Union may legislate on State matters. Articles 249, 250, 252, 253 and 356 offer mechanisms to such interventions particularly when it is an emergency case or where the national interests are involved. To illustrate, Article 249 gives a full-fledged stronghold into the authority of a Rajya Sabha on the sports of passing a resolution, with a majority of two-thirds, to enable Parliament to legislate on States matters in case it considers regulation to be of national interest. In the same way, Article 356 power of Presidential rule authorised allows the Union to handle State government and take direct rule as a justification as being essential to national integrity or the constitutional order. These provisions point to the constitutional fact that the federal balance is not predetermined, but it can be altered to the changing conditions even to the point of leaning toward the central power.

The constitutional structure, though, is supplemented and explained in terms of judicial interpretations which have changed with time passing. Judiciary , especially the Supreme Court, has been crucial in establishing the spectrum of legislative authority and also keeping safe the federal framework. There were landmark instances like: Union of India v. H.S. Dhillon and Maganbhai Patel v. Union of India[8] made it clear that legislation passed by Article 249 or such like must operate in the ultimate interest of the state, making it clear that the jurisdiction

[8] Maganbhai Ishwarbhai Patel v. Union of India, AIR 1969 SC 783 (India). [Link]

of the Union in law making in the matters concerning the States is not absolute but conditional. In 'S.R. Bommai v. The Court in Union of India, emphasized on the significance of federal principles and restricted the self determination of Article 356 and affirmed that exercise of powers must take place within the constitutional limits. The focus by the Court on the doctrines such as the pith and substance one that determines the true intent of legislation and the colorable legislation that bars disguised laws as a goal of attaining unconstitutional motive have played a key role in sustaining the fine balancing of the union and the States.

These doctrines are judicial mechanisms of question against legislation to ensure that laws are not a superficial expression of the legislation but are in accordance with the spirit of the constitution. Where there are clashes, the doctrine of repugnancy in Article 254 decides on what law takes precedence in case both legislatures of the Union and States take legislations on the same issue. Cases have stated on multiple occasions that the purpose of legislation that dominates its pith and substance is very important in establishing its validity. This interpretative method has in many instances resulted in subtle judgments in which the Court would strike a balance between the requirements of national unity and constitutional assurance of State autonomy.

The conflict between the central and State sovereignty has intensified over the past several years and particularly in terms of economic changes and social laws. The use of the Goods and Services Tax (GST) e.g. was a huge development towards a centralized fiscal regulation. Even though this was introduced on a constitutional amendment and joint decision making by the GST Council, there were fears that the power of the States to raise tax was being compromised. The discussion took place around the possibility of the overreach of the Union because the process of the decision making was dominated by the central authorities greatly, and the role of the States was the consultative one rather than decisive. In recognition of the amendments to the constitution, judicial opinions have been conscious of the value of cooperative federalism by asserting that the GST regime was not to be tailored to produce central dominance over collaboration.

Likewise, the controversial Farm Laws that were passed in 2020 are an illustration of the current struggle of the legislative mandate. The government was acting within its authority to control the trade and commerce, which is the main reason why many States and farmers organizations argued that agriculture is more of a State subject which falls under the State list,

under the Entry 14. Intervention of the Supreme Court, fall of the issuance of interim orders and establishment of a committee to study the laws showed how the judiciary was careful on striking a balance between the legislative power of the Union and constitutional rights of States. This was a divisive issue that was indicative of the greater difficulty in making national economic policies meet regional and State-interested issues and demonstrated the continuing battle to keep the federal cloth held together in a fast-evolving policy world.

Moreover, the introduction of the right to education act (2009) exposed problems of legislative competence, as education appears on the concurrent list and it is also a subject on which the union was to have made legislation. There were other States which questioned the Act claiming that it was encroaching on their authority. The Supreme Court extended the legislation and stated that education, being mainly a State matter, it could be made legislative by the Union as a part of its authority to provide international obligations and national policies, it was written in Article 253. The case showed the delicate perception that legislative competence is usually based on purpose and whole national interest but not professional compartmentalization.

The legal method of these conflicts highlights the significance of such doctrinal provisions as 'pith and substance' and doctrine of incidental encroacher which will consider whether the intent of the legislation is consistent with the constitutional authority of legislature or not. Mostly, the courts have exercised a pragmatic reading of these provisions which allows it to see how the federal system must be organic enough to accommodate good governance demands in the 21 st century and yet leave State autonomy unnecessarily interfered with. However, the struggle is also described by the continuous disagreements on where to draw the line, expediently in such situations in which the interests of nationalities appear to prevail over those of the regions.

These legal and constitutional dilemmas are complicated even more by the political facts governing policymaking. The federal structure may be perceived by governments at the Union and the State level in terms of their own political perspectives which may result in the conflicts, negotiations or even confrontations. All these political relationships are based on the constitutional provisions, doctrines of the judiciary, as well as commission reports, which in many cases dictate the direction of the relations of the federal playback. In fact, the recommendations of the Sarkaria Commission such as giving weight on dialogue and consensus suggested that institutional reforms should be put across to embrace cooperative

federalism. The Punchhi Commission also emphasized the necessity of system to settle disputes in a friendly way and to increase the force of the State legislatures to examine the central laws which applied to their subjects.

In spite of these, the fact is still that the Union tends to exercise its sovereignty more so in the cases of emergency or when dealing with regional zones perceived to be key to national security. Application of Article 356 has been controversial with courts highlighting that application must be applied sparingly and number of requirements related to constitutional thresholds should be attained before application. The dilemma is to balance the principles stipulated in the constitution and the political needs of remaining united as a nation, but not in the process, to dispense the constitutional guarantees of State autonomy.

The changing nature of Indian federalism that is characterized by these legal, doctrinal and political waves requires unceasing reflection and reform. The current constitutional processes, judicial strategies and intergovernmental systems should be modified so that the federalism should be resilient and responsive. Procedural measures like creation of independent dispute resolving bodies, strengthening of the State legislatures and demarcation of the limits of the central powers are necessary institutional reforms that would move towards this direction. The prudence of the judiciary should also be handled with caution and a balance of respect of the intent of the legislation, as well as the constitutional safeguards. Finally, there is a need to encourage a sense of co-operation and mutual respect to the different constituent units of the federation in order to protect the spirit of unity in diversity in India.

The constitutional framework has the instruments and principles that are required to balance the interests of the central and State, however, it will be left to judicial interpretation and political will on how to apply these principles and instruments. The continuing debate on the central legislation governing the State subjects indicates underlying issues on the sovereignty, State identity and growth. Although the idea of the Constitution is the federation based on the principle of cooperation, there are also those instances of confrontation and conflicts which hurt the very idea of the federation. To handle these problems, it is necessary to engage in a concerted effort to support institutional mechanisms, demarcate constitutional lines, and cultivate a culture of dialogue and consensus. It is only under these measures that India may have hope of maintaining a flexible and at the same time a strong federal system that is capable of serving the varied needs of its citizens without resorting to breaking up the unity and integrity

of the state.

The implication of central laws on the State List is far-reaching and multidimensional and has an impact on the fragile balance of federalism in India. The principles of the distribution of legislative powers are established explicitly in the Constitution by the Union List, the State List and the Concurrent List, to ensure the independence of the States, but at the same time giving the Union the legislative authority on the matters of national significance. But in practice the enactment and operation of central laws in which the State List is involved tend to raise controversy of constitutional limits, of sovereignty and of regional authority. Although they are meant to enhance national integration, economic development as well as lead to homogeneity, there are occasions when these laws may interfere with the actual role of the legislature which is traditionally the prerogative of the States, bringing about major consequences.

A possible consequence is the loss of State sovereignty. By expanding the domain of central laws into the domain specified on the State List, the Federal balance can be changed and, therefore, reducing the legislative power and the ability of the States to set policies. This can erode both regionally diversity and local government since State may feel limited to suit their own socioeconomic systems. The autonomy of the States, although strong in principle, is weakened by the action of the Union to make the legislative overlay in the pretext of the national interest or a state of emergency. When common or expansive, such interventions will face the danger of inculcating the feeling of alienation among local communities and undermine the constitutional precept of federalism.

Legislation Implications: The law concerns constitutional problems, the doctrine of interpretation and judicial review. A State List that centrally imposes laws that tend to violate the State List, in most cases, questions the constitutionality of such laws when they are brought to the courts. The judiciary, especially the Supreme Court, is crucial in passing judgment on whether or not such laws fall under the legislative competence of the Union by use of such doctrines as pith and substance and doctrine of incidental encroachment. Such doctrines are used to establish whether the legislation is mainly concerned with a subject of the Union or whether such legislation infringes upon the power of the States. The judiciary has occasionally endorsed the major laws that promote the national interest like in defense, foreign policy or economic integration even in cases that concern State subjects. Nevertheless, the courts have also struck laws which they consider to be going too far, and the need to observe the boundaries

of the constitution.

The political implications are also equally important. The State List is usually influenced by the central laws that represent the interests of the governing government on the level of the Union and include the interests of the whole nation, not necessarily regional needs or aspirations. This may create a conflict between the Union and States, in terms of legislative power and the distribution of the resources. The implementation of nationwide programs through central laws, which may be factual economic reforms, social welfare programs or even regulatory systems, may make the State governments to be pushed aside causing friction and a feeling of marginalization. Besides, regional parties may have political differences with the central government that may worsen conflicts undermining cooperative federalism and hindering effective governance.

The social implication of the central laws on the State List may affect the regional identity, cultural independence and attitude toward federal integrity. States which feel that their legislative space is intruded into will result into a sense of marginalization and opposition and may develop into social unrest or calls to be given more freedom. On the other hand, properly drafted central laws that consider the regional sensibilities can facilitate national integration and quality standards of such areas like health, education, and infrastructures. The dilemma is between national interests and respect to regional diversity whereby the central laws are not compromising the social fabric that federation has.

More than that, there are also implications on the economic development and administrative efficiency. To establish coherent policies between States which make large-scale projects, consistent standards and react to crises, central laws are common. An example would be taxation regulation, environmental regulation and national security laws and regulations, which can simplify the processes and decrease fragmentation. Nevertheless, when such laws are regarded unjustly to override the policies of the State or to disregard the local situations, they may become a hindrance to the successful performance and develop resistance among the regional authorities and populations. Herein lies the essence over which consultation, cooperation at the federal level, and guarantees in the Constitution should be entrusted to ensure the central laws are in the general good, yet the regional governments remain autonomous.

The general connotation also encompasses the shift in federalism of India in the context of the shifting socio-economic contexts. The central laws in the formation of the national policy are

even more important as India moves towards an even more integrated economy and global presence. However, this should be negotiated against the constitutional requirement to maintain State freedom. The current arguments and lawsuits show a dynamic conflict which needs a proper balance in the judicial and political approaches that ensure the federal system does not turn out to be either fragmented or consolidated.

The consequences of the central legislations on the State List are multifaceted, invoking constitutional integrity, boundaries of any law, political relationships, social cohesion and economic development. Although it is critical in maintaining national unity, as well as establishing cohesive policies, the influence of the central laws on the state sovereignty demands careful and prudent use of the legislative powers. It is important to consider the constitutional division of powers, enhance communication between the Union and the States as well as provide judicial controls in order to keep the federal fabric of India. It is only in such moderated ways that India can manage to get through the fire of development and diversity without encroaching or taking away the values that are entrenched on its Constitution.

Findings

According to the research, constitutional clauses like Articles 249, 250, 252 and 253 which were initially intended to be exceptional powers have gradually turned into a normal intervention mechanism of the central government on the issues that were usually the preserve of the State List. Although initially these articles were aimed at dealing with extraordinary situations, they have been widely invoked over the years, as such as to accomplish the constitutional blurring of Union and State powers. The judicial interpretations have always been found to give a preference to the supremacy of the parliament in which the measures have a clear constitute constitutional power as it can be seen in cases such as the Union of India vs. H.S. Dhillon and Maganbhai Patel vs. Union of India'. These decisions have strengthened the constitutional belief that when the Parliament authority is supported by express constitutional clauses, it runs over that of the State meaning that it can expand the central elements of authority and make state authority more susceptible to loss.

The Pith and Substance doctrine, which was initially to be used as an aid to eliminate interferences between the Union and State Lists, has been widely utilized in a broad sense, and pro central legislation. The courts have often read the overlapping areas such like the agricultural marketing being an agricultural subject of the States and the trade and commerce

being a law subject of the Union and Concurrent subjects to support the legislative competence of Parliament. An example would be in the situation concerning the new Farm Laws where the central law was upheld by the courts drawing upon the larger economic and national interest thus watering down the exclusivity of the State List undermining the ideal of federal autonomy.

On the same line, the principle of Repugnancy in Article 254 that is intended to acquit measures taken by the central law against state law regarding the Concurrent List also skews the scale towards a more central administration. As reinstated in the case of Forum for people collective efforts v. State of West Bengal[9], in case there is incongruity between a central law and a state law regarding any subject on a Concurrent List, the former law prevails, and the latter is void to the same extent of the rivalry. Although this mechanism was supposed to enhance uniformity and national integration in reality, it has reduced the legislative power of States and reduced their power to make policies, and in most cases, it has given them minimal power to handle regional issues.

The same centralization tendency is also very pronounced in financial arrangements especially the introduction of Goods and Services Tax (GST). GST has considerably limited the fiscal independence of States through the subsumption of some of their powers in charge of taxation into one, national system. With much hype over being a model of cooperative federalism, as a matter of fact, it has hampered the flexibility of the State governments to act with respect to the local economic conditions and developmental priorities thus embodiment of a more profound level of central control over fiscal policy.

Already, reports by the Sarkaria Commission (1988)[10] and the Punchhi Commission (2010) had cautioned against excessive centralization and the need to provide greater protection to State autonomy and the need to argue in favor of more consultative procedures. Nonetheless, even most of their suggestions have only been partially adopted, which has enabled the trend of central dominance to continue. Modern theorists such as Louise Tillin and Pinaki Chakraborty have gone on to illustrate how even constitutionally acceptable central interventions are still seen by States as abusive and paternalistic which cultivates distrust and

[9] Forum for People's Collective Efforts v. State of W.B., AIR 2021 SC 3543 (India). <a href="https://lawfyi.io/forum-for-peoples-collective-efforts-vs-the-state-of-west-bengal-on-4-may-2021/" style="color:blue;

[10] Report of the Sarkaria Commission on Centre-State Relations (Jan. 1988). https://interstatecouncil.gov.in/sarkaria-commission

constant subversion of the ethos of cooperative federalism.

Taken together, however, these results indicate that although Parliament interventions carried out within the constitutional requirements are constitutionally valid, there is an upward trend in terms of their frequency and the wide acceptance they receive within the judiciary that have been leading to a slow but steady change in the federal set up of India. This changing imbalance is expressed through the loss of State autonomy, as it poses doubt as to the stability of the quasi-federal system in India, the paradigm of which the framers of the Constitution hoped would reconcile the needs of the national unity and the regional diversity. Uncontrolled this tendency bears the risk of undermining the very principles of federalism and the tendency of more centralization, which will, as such, challenge the very existence of the constitutional polity of India.

Suggestions and Conclusion

The general finding of the study is that on the one hand, the Indian Constitution allows the Parliament to interfere into the affairs of the states, the wide and regular application of these powers deprives the balance of powers between the Centre and the states. These types of interventions are legally legitimate but dangerous to creating changes in the federal nature of the Constitution and the loss of autonomy of the state legislatures.

Among the recommendations that can be drawn out of the current research is the necessity to enhance the cooperative federalism mechanisms. Privy bodies like the Inter-State Council and the GST Council have to be resurgent in a way that the states are consulted earnestly when making of important laws that would impact on their sole provinces. This would eliminate unilateralism and promote the culture of consensus in the legislative practices.

The judiciary also plays a very critical role. Courts ought to reformulate this approach to interpreting doctrines such as pith and substance and colourable legislation to ensure that the autonomy of the State List is no longer compromised on a regular basis at the expense of central laws. Such less biased judicial rationale would be useful to maintain exclusivity of state powers and yet, consider national interests.

Parliament, also, needs to have legislative moderation. The Articles 249 to 253 should be expected to be applied in real situations of necessity and not as tools of normal governance.

This would assist in preserving their great personality and avoid weakening of state legislatures.

What is also crucial is the necessity to introduce the recommendations of the Sarkaria and Punchhi Commissions. These reports provided plans of wider consultation to states, becoming more definite restrictions of the abuse of Presidential Rule and needed adjustments in federalism of finances. Institutionalisation of the balance of federalism would offer federal balance safeguards through the operationalisation of these recommendations either in the legislation or the constitutional amendments.

The other area that needs immediate attention is fiscal autonomy. The GST regime, although a major change, needs to develop to give more flexibility on taxation to the states. A combination of revisiting fiscal arrangements to enable greater decentralisation under the GST regime would be a better balance between national uniformity versus a local autonomy.

Lastly, there should be open federal communication. As much as possible, central interventions must be made to seem collaborative and not imposed on states through / by institutions like NITI Aayog. This would not only increase the legitimacy but this would also increase democratic rule.

To sum up, the study highlights that Indian federalism is still evolving, yet its well-being is determined by being able to balance the national effectiveness and state autonomy. Although constitutional design is all because the central can intervene, when such powers are overused or used in only one way, there are chances of eroding the spirit of cooperative federalism. India can maintain both unity as well as diversity by re-calibrating the legislative practices, judicial interpretations and, institutional mechanisms and maintain the constitution dream of a federal system that is powerful at the Centre but leaves the autonomy of the states intact.

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