



Inter-State Council

For Prelims: [Inter-State Council](#), [Federalism](#), [Governor](#), [Goods and Services Tax](#), [Sarkaria Commission](#), [Zonal Councils](#)

For Mains: Inter-State Council and issues, [Centre-State relations](#), Federalism in India

[Source: BS](#)

Why in News?

The Indian government has recently reconstituted the [Inter-State Council \(ISC\)](#) after two years, with the **last reconstitution in 2022**, appointing the **Prime Minister (PM) as chairman** and underscoring a renewed commitment to [Centre-State relations](#) and [cooperative federalism](#).

What is the Inter-State Council?

- **Establishment:** The ISC was constituted to **facilitate Centre-State and Inter-State cooperation** in India.
 - It was established under [Article 263 of the Constitution](#), which empowers the **President of India to establish an ISC** for better coordination between States.
 - The [Sarkaria Commission \(1988\)](#) recommended making the ISC a permanent body, leading to its formal establishment in **1990 through a Presidential Order**.
- **Functions of the ISC:** It discusses subjects of common interest to states and the Union and makes recommendations for the coordination of policies and actions.
 - The ISC also **investigates issues affecting Centre-State and Inter-State relations** to ensure seamless governance.
- **Composition of the Council:** The **PM serves as the Chairperson**. Members include **Chief Ministers (CMs) of all States, CMs of Union Territories** having a Legislative Assembly and Administrators of UTs not having a Legislative Assembly, and **6 Union Ministers of Cabinet rank, nominated by the Prime Minister**, are also part of the ISC.
 - The Presidential Order of 1990 has been amended twice, first in 1990 and then in 1996, to allow the [Governor of a State under President's rule](#) to attend the meeting of the ISC and for the **Chairman to nominate permanent invitees** from amongst the other Union Ministers, respectively.
 - In the second meeting of the ISC held in 1996, the Council decided to set up a **Standing Committee for continuous consultation** and processing of matters for consideration of the Council.
 - Accordingly, a Standing Committee was set up under the **Chairmanship of the Home Minister** and has been reconstituted from time to time with the approval of the Chairman of the Council.
- **Secretariat:** The **Inter-State Council Secretariat (ISCS)** in New Delhi was established in 1991 and is headed by a **Secretary to the Government of India**.
 - The secretarial functions of the [Zonal Councils](#) have been transferred to the ISCS since 2011.

- **Benefits:** Policies developed through ISC deliberation would hold **greater social legitimacy**, enhancing acceptance among states and reducing friction.
 - The ISC maintains the **balance of power between the Union and states**, preventing dominance by either side. It ensures that Union decisions align with the **constitutional framework and federal principles**, especially during reforms like [Goods and Services Tax \(GST\)](#) or [demonetization](#) that may strain Union-state relations.

Other Key Inter-State and Centre-State Bodies

- **Zonal Councils:** These are statutory bodies established under the [States Reorganisation Act of 1956](#).
 - There are **five Zonal Councils** (Northern, Central, Eastern, Western, and Southern). They aim to promote interstate cooperation and coordination, each Zonal Council is headed by the **Union Home Minister**, with CMs from the constituent states serving as **Vice-Chairpersons on a rotating basis**.
 - The **North Eastern region** has a separate council, the **North Eastern Council**, created in 1972, set up under the **North Eastern Council Act, 1972**.
- **River Water Dispute Tribunals:** These tribunals are constituted under the [Inter-State River Water Disputes Act, 1956](#), to adjudicate disputes between states over the sharing of river waters.
 - **Article 262** provides that **Parliament** may by law provide for the adjudication of any dispute or complaint with respect to the use, distribution or control of the waters of, or in, any inter-State river or river valley.
- **The Goods and Services Tax (GST) Council:** It was established under [Article 279A of the Constitution](#), is a constitutional body responsible for deciding key issues related to GST implementation in India.
 - It comprises the Union Finance Minister, the Union Revenue Minister, and State Finance Ministers, with decisions made through a consensus-based approach.
 - Since its inception in 2016, the Council has made significant decisions on tax rates, and exemptions, **promoting cooperative federalism** and streamlining business operations in India.

What are the Challenges Regarding the Inter-State Council?

- **Infrequent Meetings:** Despite its purpose, the ISC has been criticised for irregular meetings, having met only **11 times since its establishment in 1990**.
 - The procedure mandates that it **should meet at least three times a year**, but the last meeting was held in **July 2016**.
- **Non-Binding Recommendations:** The ISC faces key challenges due to its **advisory and non-binding nature**, which limits its impact on resolving disputes and hinders effective Union-State coordination.
 - Its **broad mandate lacks enforcement authority**, making it more a discussion forum than a decision-making body.
 - Additionally, there is often a **lack of robust follow-up mechanisms** to ensure that recommendations are **tracked and implemented**, necessitating a more structured approach for meaningful outcomes.
- **Political Dynamics:** The political landscape can influence the functioning of the ISC. **Differences in political ideologies between the central and state governments** can affect the council's ability to reach consensus on various issues.

What Reforms are Needed for ISC to Function Effectively?

- **Amendment of Article 263:** The [Punchhi Commission \(2010\)](#) emphasised making the ISC a specialised body to address intergovernmental relations and federal challenges.
 - Amending **Article 263 to strengthen the ISC's mandate** for addressing both inter-state and Union-state issues could enhance its role as a consultative and decision-making

forum.

- **Regular and Timely Meetings:** Reviving the mandate for regular meetings could foster continuity in discussions and provide states with a regular platform for policy input.
- **Clear Agenda and Priorities:** Establish a clear agenda and set of priorities for each meeting, focusing on pressing inter-state issues such as **water disputes, infrastructure development, and economic cooperation.**
- **Technology Integration:** Utilise digital tools and platforms to facilitate communication, data sharing, and decision-making processes within the ISC, making it more efficient and responsive.

Conclusion

To truly strengthen India's federal framework, the Inter-State Council needs to evolve from a **largely advisory body into a more proactive and empowered institution.** Reforms like enhancing its mandate and ensuring regular, outcome-driven meetings will be crucial in fostering deeper cooperation and resolving the complexities of Centre-State relations.

Drishti Mains Question:

Discuss the role and significance of the Inter-State Council in maintaining cooperative federalism in India. How effective has it been in addressing Centre-State issues?

UPSC Civil Services Examination Previous Year's Questions (PYQs)

Prelims:

Q.1. Which one of the following in Indian polity is an essential feature that indicates that it is federal in character? (2021)

- (a) The independence of judiciary is safeguarded.
- (b) The Union Legislature has elected representatives from constituent units.
- (c) The Union Cabinet can have elected representatives from regional parties.
- (d) The Fundamental Rights are enforceable by Courts of Law.

Ans: A

Q.2. Which one of the following is not a feature of Indian federalism? (2017)

- (a) There is an independent judiciary in India.
- (b) Powers have been clearly divided between the Centre and the States.
- (c) The federating units have been given unequal representation in the Rajya Sabha.
- (d) It is the result of an agreement among the federating units.

Ans: D