

Speech of Hon'ble Home Minister on 20th January, 2016

Federalism is not new to India, though in its primitive form ancient kingdoms & empire had established this system. The accounts of Mauryan administration establish the prevalence of federal administration during ancient times. Even in Mughal times, there was a limited form of federal structure.

The framers of Indian Constitution blended the best features of all the important types of federations and gave India a Union model of federalism. The Indian model reconciled the necessity of a strong Centre with a need of state autonomy. The spirit behind that was to lay foundation of such a system in which harmonious working of Centre and States issues if any, are resolved by various mechanisms put in place including inter-governmental agencies and fora like Inter State Council, Zonal Councils, National Development Council, NITI Aayog, Governor's Conference and Chief Minister's Conference etc.

Our Govt. believes & is working towards making the States stronger by working with them in a co-operative & supportive manner. The NDA Govt. at the Centre has taken some important policy initiatives to strengthen the spirit of co-operative federalism.

Foremost is increase in the share of States from 32% to 42% as per the recommendation of the 14th Finance Commission. Union Government has also raised the non-statutory shares from 21% to 26% and about 57.6% of the gross tax receipt are to be transferred to the States. These imply that more than half of the receipts of Union Government will transfer to the States. The larger transfers to the States are accompanied by significant reduction in the Central Schemes and rationalization of the running schemes to give greater flexibility and control to the States. Third major policy initiative with the urgency placed by the current Government. is for implementing Goods & Services Taxes (GST). This will have far reaching implications.

Besides successful completion of Zonal Council Meetings including Chief Ministers of North-Eastern region in 2015 and re-constitution of Inter State Council in December, 2015 are instances, which justified that this Govt. is abiding faith in co-operative federalism. For a stronger and greater India, the Centre and States have to work together. The realization of faster economic growth coupled with distributive justice is not possible, unless we work together in a spirit of co-operation. For this, a roadmap has to be laid out and we need to strengthen the institution and mechanism that will enable better Centre-State relations.

The theme of the International Conference aims to enrich our national pursuit for co-operative federalism. Considering the list of eminent speakers, far reaching conclusions and recommendations will emerge at the end of the conference.

I look forward to see these recommendations to further strengthen the spirit of co-operative federalism.

With these few words, I wish this Conference a grand success.