

State and Central Government Cooperation Essential for Good Governance in India

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- A good understanding between states and the central government will strengthen Indian people's confidence in their leaders
- Environmental policy and the approval of infrastructure projects have proven to be difficult areas for states and the central government to find a balance of power
- A think tank or non-partisan policy unit could be created to help states develop policies
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Mumbai, India, 14 November 2011 – In India, states and the central government have to work together to get things done and keep the country on a stable and sustainable growth path, chief ministers of three Indian states agreed in a panel on the role of states in India's development, which took place on the second day of the India Economic Summit. Said Oommen Chandy, Chief Minister of Kerala: "An understanding between the centre and the states is a must. That will only strengthen the confidence of the people."

Prithviraj Chavan, Chief Minister of Maharashtra, which includes the city of Mumbai, said that, in his view, India's states have no problems communicating their concerns and needs to the central government – even if a different party than is in power in Delhi governs a particular state. "I don't think there is any difference," said Chavan, who is a member of the Indian National Congress, the party that leads the governing coalition at the federal level. "By and large, all states are treated equally."

Yet, there are friction points. Environmental policies and infrastructure project approvals have proven to be difficult areas for states and the central government to find a balance of power. "States really have to work hard to get environmental clearances," explained Shivraj Singh Chouhan, Chief Minister of Madhya Pradesh. "Projects certainly do get delayed. Many irrigation projects don't get cleared. You need to give rights to the states. We have them, but they are quite few."

In Canada, provinces have a great deal of power over environmental policies and project approvals, remarked Christy Clark, Premier of British Columbia, which is on Canada's west coast. She noted that British Columbia has instituted a carbon tax, the first such levy in North America. "Because we have carefully observed the rights of provinces, we have liberated provincial economies to do more for the country," she reckoned.

Added Maharashtra Chief Minister Chavan: "Decentralization is generally a good idea, but on environmental matters we have a very bad record. Somebody has to make sure that a country's flora and fauna and natural resources are not completely destroyed. We need the guiding hand of government."

The panellists agreed that states should also collaborate and exchange ideas with other states. "State-to-state cooperation is very beneficial," Chandy remarked. The chief ministers welcomed a proposal from a participant that a think tank or non-partisan policy unit be established to help states

develop policies and avoid repeating research, analysis and preparatory work. Clark said that British Columbia routinely consults with other provincial governments and has copied policies that have worked in other provinces. All of Canada's provincial premiers will visit India on a joint mission in 2012, she told participants.

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