

**1. The Comptroller and Auditor General is an important pillar of constitutional democracy in India. Do you agree? Substantiate.**

**Approach**

Write about the CAG in Introduction with giving background. In further part try to write how it's a important pillar in Constitutional democracy also you can highlight few limitations of office before conclusion.

**Introduction**

The Comptroller and Auditor General of India (CAG) refers to both the Supreme Audit Institution of India (SAI) as well as the individual who heads the institution. Established in 1858 under the British Raj, it functions as the auditor of the executive branches of the central and state governments.

**Body**

CAG is an important pillar of constitutional democracy:

- Described as the “most important officer in the Constitution of India” by Dr Bhimrao Ambedkar, the Comptroller and Auditor General of India (CAG) is an independent authority established under Article 148 of the Indian Constitution.
- CAG of India or the “Guardian of the Public Purse” is essentially vested with the responsibility of inspecting and auditing all the expenditure and receipts of both the Central and the State Governments as well as of those organizations or bodies which are significantly funded by the government.
- In a democracy like India, accountability of the ruling class is an important aspect of polity and governance. For ensuring the same, the Constitution of India has given the authority to institutional frameworks such as an independent Judiciary, Vigilance bodies and a Supreme Audit Institution or SAI.
- The Supreme Audit Institution is constituted by the Comptroller and Auditor General of India (CAG) and the Indian Audit and Accounts Department (IAAD) which functions under his charge. The office of CAG has been mandated by the Indian Constitution to be the auditors of the nation and, thus, an agent for maintaining answerability.
- He audits all receipts and expenditure from the Consolidated Fund of India, the Contingency Fund of India and the Public Account of India, as well as similar accounts of states thus ensuring financial transparency.
- He audits all trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts kept by any department of the Central Government and the state governments.
- He audits the receipts and expenditure of all bodies and authorities substantially financed from the Central or State revenues; government companies; other corporations and bodies, when so required by related laws.

- He audits the accounts of any other authority when requested by the President or Governor e.g. Local bodies.
- He ascertain whether money shown in the accounts as having been disbursed was legally available for and applicable to the service or the purpose to which they have been applied or charged and whether the expenditure conforms to the authority that governs it
- He advises the President with regard to prescription of the form in which the accounts of the Centre and States shall be kept.
- He submits his audit reports relating to the accounts of the Centre/state to the President/Governor, who shall, in turn, place them before both the houses of Parliament/state legislature (Article 151).
- He conducts the propriety audit, that is, he can look into the 'wisdom, faithfulness and economy' of government expenditure and comment on the wastefulness and extravagance of such expenditure.
- CAG also acts as a guide, friend and philosopher of the Public Accounts Committee of the Parliament.

There are several limitations on CAG that prevents him to fully exercise his mandate:

- He cannot perform the function of comptroller, as he has no control over the issue of money from the consolidated fund and performs only the role of auditor.
- The CAG cannot call for particulars of expenditure incurred by the secret service agencies.
- Certain particulars of defense deals are also not compulsorily revealed to CAG, for example recently retracted documents of expenditure incurred in case of Rafale deal.
- The government has increased its participation with the private sector through the PPP (Public Private Partnership) investments; however CAG does not have the power to audit PPP.
- There is no provision for auditing of funds that are given to an NGO and elected local bodies.
- Despite having such importance in the parliamentary setup of a democracy like India, the institution of the Comptroller and Auditor General of India has, time and again, suffered due to the less general public awareness about the significance of this authority.
- A major fallacy that exists in modern-day polity is the less popularity of many CAG reports and the fact that not all of these reports are deliberated upon in the Parliament.
- The office of CAG is too important to be ignored or not utilized efficiently, and thus calls for reforms, for example, as suggested by former CAG Vinod Rai, like bringing PPPs, Panchayati Raj Institutions and government-funded societies, within the ambit of the CAG and amending CAG Act of 1971 to keep pace with the changes in governance.

### **Conclusion**

To expedite the efficiency of the Comptroller and Auditor General of India as a

constitutional officer charged with the responsibility of maintaining and upholding the accountability and liability of the ones in power, it is important to popularize the audit reports released by the CAG and open up opportunities for more general public discussion about them. Controversies like the Commonwealth Games, 2G Spectrum and Rafale Deal brought forth the importance of CAG reports in a democracy like India and helped ignite public discourse.



**2. What challenges does India's federal polity pose to good governance and reforms in the fields of agriculture, policing and ease of doing business? Analyse with the help of suitable examples.**

**Approach**

It expects students to write about challenges posed by federal polity in India towards good governance and reforms in the field of the agriculture, policing and ease of doing business try to analyse the issues with suitable examples.

**Introduction**

Federalism is a system of government in which powers have been divided between the centre and its constituent parts such as states or provinces. It is an institutional mechanism to accommodate two sets of politics, one at the centre or national level and second at the regional or provincial level.

**Body**

Indian federal polity:

- Indian federalism is identified as cooperative federalism which is indestructible union of destructible states however Indian states don't draw power from union government but from constitution. Seventh schedule of the constitution provide list of subjects governed by states.
- India is a federal system but with more tilt towards a unitary system of government. It is sometimes considered a quasi-federal system as it has features of both a federal and a unitary system.

Federal polity in India is delicate balance between centre and states, most of the issues influencing day to day life are associated with states. Out of the 49 relatively large nations with gross domestic product (GDP) exceeding \$200 billion, India ranks at near bottom on most indicators of basic amenities, infrastructure, education and healthcare, in the company of Pakistan, Bangladesh and Nigeria.

Challenges posed by federal polity to good governance:

- A rigid, uniform political model imposed on all states and local governments sometimes disregard local needs.
- Bureaucracy is often seen as slow moving if not dysfunctional protected by Article 311, the generalist, all-purpose all-India services that lack in bringing specialized skills required to manage various services.
- Part IX of the Constitution that created over-structured, under-powered local governments that not empowered enough to take root as the third tier of federalism.
- Archaic anachronistic role of nominated governors are making states and local governments dysfunctional.

- The Centre collects a bulk of the taxes. However, states do most of the expenditure including on education, health, law and order, etc. Thus, there is an imbalance between revenue input and work output. This imbalance is sought to be addressed by transferring a part of the taxes collected by the Centre to the 28 states and 9 Union territories (UTs).

#### Challenges to reforms in Agriculture:

- These are long-pending reforms, stalled or opposed by the States owing to pressure from the two influential intermediaries, traders and commission agents operating in mandis. Since agriculture, including “markets and fairs,” are State subjects as per the Constitution, State governments have governing power over these subjects.
- Agriculture being a state subject, the central government formulates policy guidelines, advises, and allocates funds. However, the onus of proper implementation of farm and market reforms lies with state governments.
- Marketing system is inefficient and leads to the exploitation of farmers by intermediaries. Farmers in many states are also exploited through a non-transparent and multipoint levy of a market fee in the absence of a unified single trading licence valid across the state or Union territory.

#### Challenges to reforms in Policing:

- For a country like India which is divided on the linguistic and communal basis, a pure federal structure could lead to disruption and division of states. Central agencies like CBI, IT working under the pressure. Treating the state as their own fiefdom.
- No party wants to give up its hold on the police. The power to transfer is often misused in order to keep a tight control over the force results into lack of independence and professionalism.
- IT raids at the offices and residence of aides of Madhya Pradesh Chief Minister which saw run-in between the CRPF officers and the state police officers. Such instances were also witnessed in West Bengal, Karnataka and Andhra Pradesh as well where the central agencies proceeded with corruption or irregularity probes.

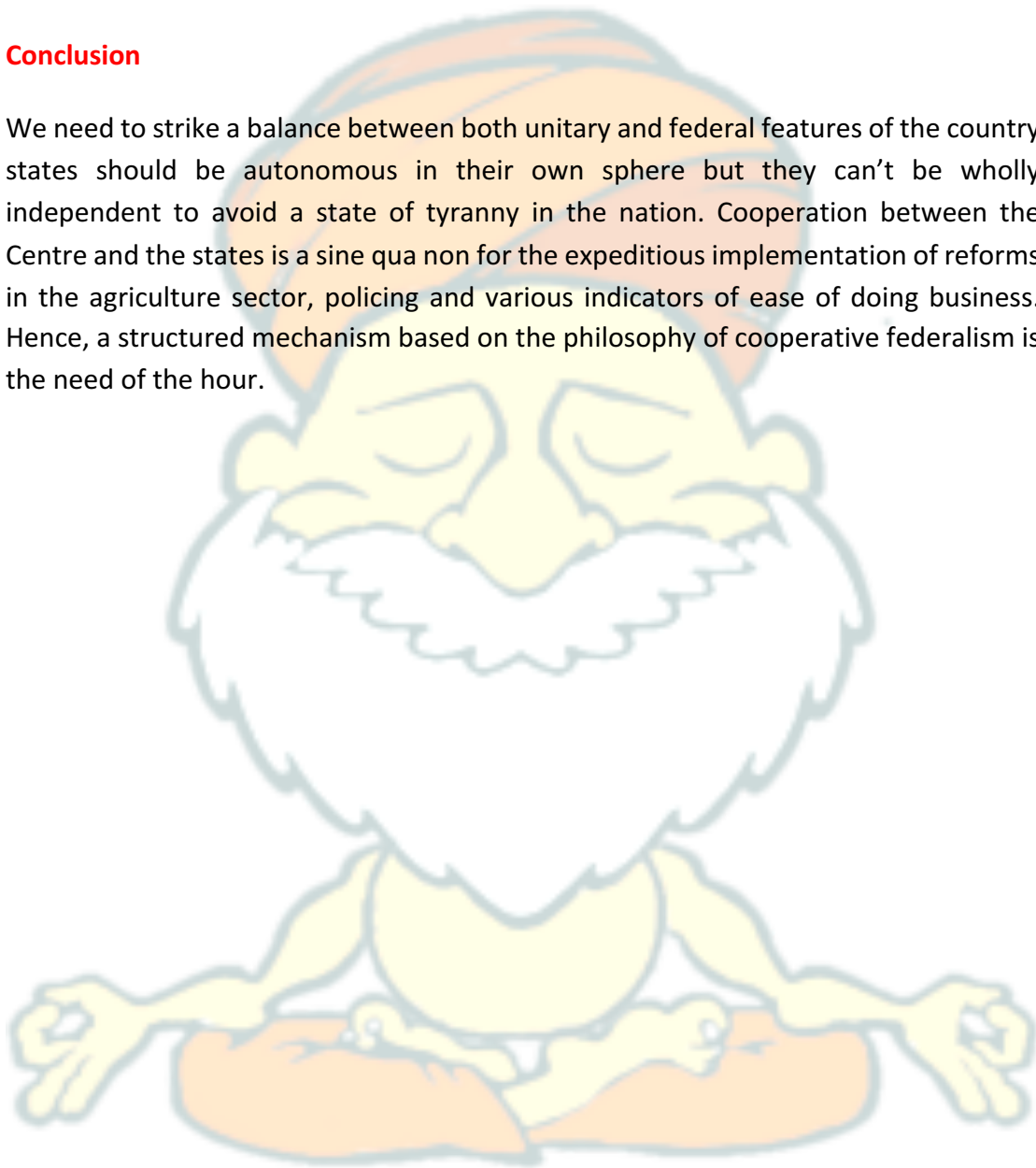
#### Challenges to Ease of doing business:

- Though the states are provided with financial independence, it is a fallacy to assume that all the states would perform uniformly in the process of development because while some states have favourable factors like skilled labour, capital and infrastructure, innovative service industries other states lagging behind.
- Union Tax laws are prone to the subjective interpretation of tax officers which causes undue hardships to taxpayers and leaves scope for “tax terrorism”.
- The quality and pace of course correction on the GST in the coming months is uncertain and will determine if India can hold its latest position in EODB or move up further.
- Andhra pradesh government have cancelled or put on hold a number of high-profile State contracts and projects, many involving foreign partners who now face huge losses. Analysts caution that it will be extremely hard for the State to attract foreign investors in future.

One of the items in the Concurrent list is economic and social planning hence implying that the decision of the same should be taken collectively and with equal discretion by both the State and the Centre. But, Central government tends to control the national and regional planning in India without any inhibitions at all.

### **Conclusion**

We need to strike a balance between both unitary and federal features of the country states should be autonomous in their own sphere but they can't be wholly independent to avoid a state of tyranny in the nation. Cooperation between the Centre and the states is a sine qua non for the expeditious implementation of reforms in the agriculture sector, policing and various indicators of ease of doing business. Hence, a structured mechanism based on the philosophy of cooperative federalism is the need of the hour.



### **3. Cooperative federalism is the only democratic way for the smooth functioning of Centre-State interactions. Illustrate.**

#### **Approach**

Start with defining Indian cooperative federalism, then directly address the demand of questions also before conclusion try to give alternative perspective such as how competitive federalism can help in development and interaction.

#### **Introduction**

Federalism is a system of government in which states or provinces share power with a national government. Cooperative federalism refers to a concept where various states cooperate with each other and with the centre to achieve the goals of growth, development of the states and the nation. They cooperate in working out details concerning which level of government takes responsibility for particular areas and creating policy in that area.

#### **Body**

Cooperative federalism is the democratic way for the smooth functioning of centre state interactions:

- India formation itself is a union of states unlike the “united” federal units of other countries. This itself demands a co-operation between the central and federal entities.
- Though a policy devised by the centre its success depends on the implementation by the states. Hence cooperation from the states is inevitable in this regard. NITI Aayog can be one such initiative to ensure smooth implementation.
- Chief secretaries of States in one of the meetings even showcased the best practices being incorporated in their respective States, a move aimed at promoting cross fertilisation of ideas.
- Under Article 263, this council is expected to inquire and advice on disputes, discuss subjects common to all states and make recommendations for better policy coordination.
- The foreign policy decisions if taken by bypassing the concerned Border States will yield nothing but unsustainability. Hence cooperation from the states and in turn support from the centre is a must to ensure success.
- On issues like international treaties, WTO obligations, or the environment an institutional mechanism must be evolved where important decisions are appropriately discussed with states.
- Though not much discussed, AIS must be viewed as a support for the development of state policies than controlling the states through suspicion. Finally in all these issues, the success depends on co-operation and mutual trust between centre and states.

- The Zonal Councils a cooperative federalism setup, since their inception and have contributed significantly in bringing about socio-economic advancement in different parts of the country. Apart from specific issues relating to States/ Union territories of the Zones, issues of national importance like Internal Security, Right to Information Act, National Rural Employment Guarantee Act, trafficking in women and children, coastal security, etc. have been discussed and useful recommendations made. Recommendations of the Zonal Councils have facilitated significant changes at the ground level.
- Despite a policy support by the support by the states, the states must be infused with the required funds to bring the outcomes. 14th Finance commission recommendations to raise the net shareable income can help in this matter.
- Keeping the spirit of cooperative federalism alive whether in consultation with the States or taking care of their finances is essential as the country is fighting the pandemic. The Centre must realise that we have the best chance of winning the war against pandemic when we are united.

India needs a mix of Competitive and Cooperative federalism:

- There needs to be a mix of competitive and cooperative federalism for India to move ahead.
- The future for India is cooperative and competitive federalism. Competitive federalism provides the dynamism that needs to be unleashed.
- We need cooperative federalism to balance competitive federalism.
- Constitution needed to catch up with economics to “favour integration over granting sovereignty” to promote Indian internal integration.

### **Conclusion**

Thus, the Indian Constitution would seem to create a “cooperative union” of states rather than a dual polity. The actual working of cooperative federalism in India has entailed the Union’s exercising its influence rather than its constitutional authority. A redistribution of powers through decentralization and the devolution of authority from the Union to the states and from the states to the Panchayats and municipalities are serving to facilitate the attainment of the objectives of the Constitution: unity, social justice, and democracy.