NEXT IAS

DAILY EDITORIAL ANALYSIS

TOPIC

INDIA’S DISASTER RESPONSE: SLIPPERY SLOPE FOR FEDERALISM

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In Context

- The case of the **Wayanad Landslides (Kerala, 2024)** exemplifies the **structural issues** where an assessed loss of 2,200 crore received only 260 crore from the Union have revived **concerns about India's disaster-response financing system.**

India's Disaster Response Financing Framework

- The financial arrangements for disaster management are rooted in the Constitution and governed by the **Disaster Management Act, 2005 (DM Act, 2005).**
- **A. Constitutional Basis (Article 280 & Seventh Schedule)**
    - **Finance Commission (FC) (Article 280):** The FC is constitutionally mandated to recommend the principles governing grants-in-aid to States and to review the present arrangements on financing Disaster Management initiatives, with reference to the funds constituted under the DM Act, 2005.
    - **Seventh Schedule:** Disaster management falls under the Concurrent List (Entry 23), but Public Order (Entry 1) and Public Health (Entry 6) are State subjects, giving States the primary responsibility for managing disasters.
- **B. Two-Tier Financing Structure (DM Act, 2005)**
    - **State Disaster Response Fund (SDRF):** The primary fund available with the State Governments for immediate relief.
    - F**unding Ratio (Centre:State):**
        - 75:25 for General Category States/UTs.
        - 90:10 for Special Category States (North-Eastern States, Sikkim, Uttarakhand, Himachal Pradesh, J&K).
    - **Mitigation Funds:** The 15th FC also recommended the establishment of a State Disaster Mitigation Fund (SDMF) alongside the SDRF.
    - **National Disaster Response Fund (NDRF):** Supplements the SDRF of a State in case of a disaster of severe nature, provided the SDRF funds are inadequate.
        - **Funding Source:** Fully funded by the Union Government.
- **Mitigation Funds:** The National Disaster Mitigation Fund (NDMF) was also established on the recommendation of the 15th FC.

Key Strengths of India's Disaster Management System

- **Strong Institutional Chain:** The existence of NDMA, SDMAs and DDMAs ensures vertical coordination.
    - This structure enables clear division of responsibilities, better communication from national agencies down to local authorities & improved planning and implementation capacity.
- **Improved Early Warning and Cyclone Management:** India has made significant gains in managing cyclones, especially in States such as Odisha and Andhra Pradesh.
    - Contributing factors include better IMD forecasting models, doppler radar networks & satellite-based monitoring.
    - These improvements have drastically reduced mortality during cyclones in recent years.
- **Community-Based Preparedness:** Programmes like Aapda Mitra, regular mock drills (DMExes), and strengthened community-level disaster response teams help cultivate a culture of preparedness.
    - This ensures that communities act as the first responders, which is critical in the early hours of any disaster.

Key Issues and Evidence of Centralisation

- **Absence of a Rules-Based Mechanism:** The DM Act does not clearly define what constitutes a "calamity of a severe nature."

- **Procedural Delay:** Disbursement of NDRF support depends on a series of time-consuming steps such as:
  - Submission of a detailed memorandum by the State,
  - Assessment by an Inter-Ministerial Central Team (IMCT),
  - Approval by high-level committees in the Union Government.
- **Outdated Relief and Compensation Norms:** The compensation norms used under the SDRF/NDRF framework have not been updated regularly to reflect inflation, cost-of-reconstruction, or livelihood losses.
- **Weaknesses in Allocation Criteria:** Although the 15th Finance Commission tried to introduce an improved methodology that included governance capacity, population, area, and vulnerability, the allocations still rely heavily on conventional variables like area and population.
- **Lack Rationale Metrics:** This approach does not sufficiently incorporate scientific, risk-based metrics such as multi-hazard exposure maps, ecological fragility, infrastructure vulnerability, or climate-sensitive risk indices.

Impacts of an Imbalanced Disaster Financing System

- **Impact on State finances:** When States receive far less than what is required, they must borrow more or divert funds from development schemes. This puts substantial pressure on already stressed State budgets.
- **Impact on affected communities:** Delays or inadequacy in compensation prolongs suffering. People lose homes, livelihoods, and access to essential services, and their recovery becomes prolonged and uncertain.
- **Erosion of State Autonomy:** When a State's immediate relief fund (SDRF) is depleted, it becomes dependent on the Union's assessment and subsequent NDRF aid. This reliance can be leveraged, limiting the State's operational control and planning autonomy.
- **Political Dynamics:** The quantum and timeliness of aid can sometimes be influenced by the political alignment between the Centre and the affected State government, turning a humanitarian necessity into a political bargaining chip.

Global Practices and Lessons for India

- **United States (FEMA):** Uses per capita damage thresholds to decide when federal assistance should be activated.
- **Mexico (earlier model FONDEN):** Released funds automatically when rainfall or wind speed crossed certain levels.
- **Philippines:** Uses objective indices based on rainfall and fatalities to trigger the release of quick-response funds.
- **Australia:** Links federal assistance to the proportion of relief spending by the State relative to its revenue.

Way Forward

- **Strengthening Rules-Based and Objective Financing:**
  - The Sixteen Finance Commission should recommend creating automatic, trigger-based mechanisms for fund release based on:
    - Rainfall or flood thresholds,
    - Loss-to-GSDP ratios,
    - Per capita economic loss,
    - Satellite-based damage assessments.
- **Updating Relief Norms and Prioritising Mitigation:** Relief norms should be revised periodically to match current costs of construction, housing, and livelihood restoration.
  - Mitigation funds such as the SDMF and NDMF should be integrated into long-term planning and tied to scientific risk assessments, ensuring that States invest in structural and non-structural mitigation measures.

- **Developing a Comprehensive National Disaster Vulnerability Index:** A scientifically robust Vulnerability Index should be developed to guide fund allocation. This index must integrate multi-hazard risks, exposure of populations and infrastructure, socio-economic vulnerability & ecological fragility.

Source: IE

Daily Mains Practice Question

[Q] India's disaster management architecture is institutionally strong, but its financing system reveals growing centralisation and weakening cooperative federalism." Critically examine

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