



SC Concerned by Growing States' Appeals Against Centre

For Prelims: [Supreme Court](#), [National Disaster Response Fund \(NDRF\)](#), [Disaster Management Act, 2005](#), [State Disaster Response Fund](#)

For Mains: Disaster Management, Government Policies & Interventions, States Borrowing Power, Centre-State Relations

Source: TH

Why in News?

The [Supreme Court of India](#) has expressed concern over a growing trend of **States being compelled to approach it against the Centre.**

What Instances Prompted the SC's Caution?

- **Tamil Nadu:**
 - Tamil Nadu accused the Centre of neglecting the State's needs by delaying disaster relief funds worth nearly Rs. 38,000 crore.
- **Kerala:**
 - Kerala filed a suit directly in the **Supreme Court**, blaming the Centre for interfering in its **'Net Borrowing Ceiling' (quantified as 3% of its projected [Gross State Domestic Product](#) for 2023-24, pushing the State to a [financial emergency](#).**
- **Karnataka:**
 - Karnataka's request for ₹18,171.44 crore under the [National Disaster Response Fund \(NDRF\)](#) to address a humanitarian crisis has been unanswered for six months.
 - The state argues that the Centre's inaction violates not only the statutory provisions of the [Disaster Management Act, 2005](#) but also [fundamental rights](#) of the people of the state, **guaranteed under the Constitution of India**, including the [right to equality and the right to life](#).
 - The State faces severe drought conditions, with a significant deficit in rainfall, affecting the lives of its people.

What are the Constitutional Provisions for States's Borrowing Power and Dispute Settlement with the Centre?

- **Article 293:**
 - The executive power of a **State extends to borrowing** within India's territory, secured by the [Consolidated Fund](#) of the State.
 - The Government of India may make loans to States or provide guarantees, subject to conditions set by Parliament.
 - States cannot raise loans without the consent of the Government of India if any part of a **previous loan from the Government of India remains outstanding.**

- Consent for borrowing may be granted by the Government of India with imposed conditions if necessary.

▪ **Article 131:**

- It deals with the **original jurisdiction of the Supreme Court**. This means it **empowers the Supreme Court to directly hear and decide disputes** between:
 - The Central Government and one or more State Governments
 - Two or more State Governments
- Essentially, it acts as a referee in disagreements between the central government and state governments, or between different state governments themselves.

Centre-State Relations in India's Governance Aspect		
Aspect	Constitutional Provisions	Key Features
Legislative Relations	Articles 245 to 255	<ul style="list-style-type: none"> ▪ Parliament has overriding legislative powers over state legislatures. ▪ Delineation of subjects in Union List, State List, and Concurrent List. ▪ Parliament's residuary powers to legislate on any subject not mentioned in the lists
Administrative Relations	Articles 256 to 263	<ul style="list-style-type: none"> ▪ States required to follow laws made by Parliament ▪ Concept of "cooperative federalism" in administrative matters. ▪ Centre's power to give directions to states on certain matters
Financial Relations	Articles 264 to 293	<ul style="list-style-type: none"> ▪ Division of taxation powers between Centre and States. ▪ Rules for imposing and sharing taxes. ▪ Provisions for financial grants and resources transfers to States.

What is the Central Government's Role in Disaster Recovery Plans for States?

▪ **Disaster Management Act, 2005:**

- The Disaster Management Act, 2005 lays down the institutional, legal, financial, and coordination mechanisms at the national, state, district, and local levels for disaster management.
 - The act mandates the establishment of various authorities and committees, such as the **National Disaster Management Authority (NDMA)** and State and District Disaster Management Authorities to oversee and implement disaster management efforts.
- The act empowers the **central government to issue directions to the NDMA, state governments/SDMAs**, or any of their officers/employees to facilitate or assist in disaster management.
- The **Finance Commission** recommends the creation of funds for disaster mitigation along with disaster response, which will now together be called **National Disaster Risk Management Fund (NDRMF)** and **State Disaster Risk Management Funds (SDRMF)**.
 - The 15th Finance Commission recommended the **National Disaster Mitigation Fund (NDMF)** for the period 2021-26, alongside the NDMF, the **State DMFs** have been set up.
 - The SDRMFs are contributed by both the Central Government and the State Governments, with a **75:25 ratio for general states and a 90:10 ratio for**

northeastern and Himalayan states.

▪ **State Disaster Response Fund (SDRF):**

- The **SDRF**, constituted under the Disaster Management Act, 2005, is the primary fund available with State Governments for responses to notified disasters.
 - The **Central Government contributes 75% of SDRF allocation** for general category States/UTs and 90% for special category States/UTs (NE States, Sikkim, Uttarakhand, Himachal Pradesh, Jammu and Kashmir).
- The annual central contribution is released in two equal instalments as per the recommendation of the Finance Commission.
- SDRF shall be used only for meeting the expenditure for providing immediate relief to the victims.
 - **Disasters covered under SDRF:** [Cyclone](#), [drought](#), [earthquake](#), fire, flood, tsunami, hailstorm, landslide, avalanche, cloudburst, pest attack, frost and cold waves.

▪ **National Disaster Response Fund (NDRF):**

- The NDRF, established under Section 46 of the Disaster Management Act, 2005, is a fund managed by the **Central Government to address emergency response**, relief, and rehabilitation during threatening disaster situations or disasters.
 - It **supplements the SDRF of a State, in case of a disaster of a severe nature**, provided adequate funds are not available in the SDRF.
- The fund is placed in the "**Public Account**" of the Government of India under "**reserve funds not bearing interest**," enabling the government to utilise it without parliamentary approval.
 - NDRF is financed through a **cess levied on specific items** subject to excise and customs duty, approved annually through the Finance Bill.
- Additional funding requirements beyond NDRF allocations are met through **general budgetary resources**, ensuring continuous support for disaster relief efforts.
- The fund's utilisation is overseen by the **National Executive Committee (NEC)** of the NDMA, with annual audits conducted by the [Comptroller and Auditor General \(CAG\)](#) to ensure transparency and accountability.

What are the Challenges faced by States Regarding Disbursement of Financial Aids?

▪ **Delayed and Insufficient Disaster Relief:**

- Lack of coordination between the Centre and states in the disbursement of disaster management funds (NDRF and SDRF).
 - Concerns over the **Centre's unilateral decision-making** in determining the quantum of disaster assistance.
- Lack of clear, transparent, and objective criteria for the Centre to determine the **quantum of disaster relief and rehabilitation assistance to states**.
- Absence of enough institutionalised mechanisms for states to challenge the Centre's decisions on disaster aid.

▪ **Imbalance in the Centre-State Disaster Management Framework:**

- Perceived **over-centralisation of disaster management powers** and decision-making authority with the Centre.
- Concerns over the **NDMA being overly dependent on the Centre and lacking effective representation of states**.
- Lack of flexibility for states to customise disaster response and mitigation measures as per their local contexts and priorities.

▪ **Centralised Planning:**

- Centralised planning may not always take into account the unique needs and circumstances of each state, leading to inefficiencies in the response to disasters or other situations requiring aid.

▪ **Political Dynamics:**

- Political dynamics and **relationships between the central government and the states can influence aid distribution**, sometimes leading to allegations of bias or favouritism.

▪ **Lack of Consultation:**

- The **Centre is often accused of not adequately consulting the states** while formulating policies and schemes, leading to implementation challenges.
- Instances of the Centre unilaterally imposing decisions on the states without their consent have been a source of friction.
- **Lack of effective institutional platforms for regular dialogue** and dispute resolution between the Centre and states.
- Weakening of federal spirit and collaborative approach in the face of growing competitive and adversarial politics.

Way Forward

- Enhance **fiscal federalism** by reviewing taxation powers and revenue sharing, addressing fiscal imbalances.
- Revitalise **institutional platforms for regular dialogue and consensus-building between the Centre and states**. Promote collaborative policymaking and effective dispute resolution mechanisms to address Centre-state conflicts.
- Improve **transparency in decision-making for disaster relief funds and aid utilisation**. Enhance audit and oversight to prevent misappropriation and discrimination.
- Promote a **political culture that prioritises national interests over partisan agendas** and encourages cooperation and mutual respect between the Centre and state levels. Educate citizens about the importance of cooperative federalism for effective governance and equitable growth.

Drishti Mains Question:

Q. How does political dynamics and insufficient consultation hinder Centre-State cooperation during crises and suggest reforms to foster greater collaborative federalism?

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q1. 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)

Q2. Local self-government can be best explained as an exercise in (2017)

- (a) Federalism
- (b) Democratic decentralisation
- (c) Administrative delegation
- (d) Direct democracy

Ans: (b)

Mains

Q. Discuss the recent measures initiated in disaster management by the Government of India departing from the earlier reactive approach. **(2020)**

Q. With reference to National Disaster Management Authority (NDMA) guidelines, discuss the measures to

be adopted to mitigate the impact of the recent incidents of cloudbursts in many places of Uttarakhand.
(2016)

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