1. Approaches to Intergovernmental Relations: Australia, Austria, and India

The underlying theme of this session was far-reaching and difficult. Examining the various effective approaches to intergovernmental relations is a complicated task. Federal systems are far from uniform. They vary markedly and depend on the relationships between governments, variations in the federal constitution, the socio-cultural contexts, the political and social history, and the expectations of the citizens and demands of the time. There can be no common solution to equalize these differences. However, through this session an effort was made to probe whether a political solution was feasible. The
case studies examined intergovernmental relationships in Australia, Austria and India.

1.1 Australia

In Australia, intergovernmental relations have been centralist, opportunistic and coercive during the 2007 national elections in which the coalition government led by the Liberal Party Leader and Prime Minister John Howard was replaced. In this case federalism was an issue, but not in priority. Some Australians argue that changes need to be made in the constitution since it was framed in the nineteenth century. However, amending the constitution is difficult. One problem is a fiscal imbalance among governments. The commonwealth takes in over 75 per cent of the revenues, but states are responsible for half of the governmental expenditure. Moreover, the money the commonwealth gives the states depends on certain policy prescriptions. The federal government intervenes selectively in areas of traditional state responsibility to make ideological or political points.

A recent report by Twomey and Withers concluded in their paper (Federalist Paper I “Australia’s Federal Future: Delivering Growth and Prosperity. A Report for the Council for the Australian Federation”) in 2007 that federalism in its Australian incarnation is a flexible and efficient structure, providing significant financial and efficiency dividends. They concluded that the country’s per capita GDP was 10.5 per cent higher under a federal system than it would be under a unitary system. The authors recommended the following: reallocation of roles between the commonwealth and states to reduce duplication and clarify responsibilities, improvement in mechanisms for IGR cooperation; and reform of federal-state financial relations both in the operation of tied payments and vertical fiscal imbalance.

1.2 Austria

The Austrian Conference on Spatial Planning (OROK) was established in the early 1970s. The conference is chaired by the federal chancellor and provides a political platform in which all federal
ministers, regional governors and leaders of the associations of municipalities and towns are represented. It provides a platform for dealing with regional policy issues. Over the years the conference has worked on a variety of issues, and cooperation in principle has worked out well. The conference has gradually become a coordination platform for administration where civil servants at all levels can contribute and collaborate. There is a highly pragmatic understanding of governance among the involved players in the conference and in Austria. Key factors in Austrian intergovernmental relationships include: joint objectives, a certain potential of win-win situations, a generally accepted moderator and the political will for cooperation.

1.3 India

In India, there is a growing confidence of subnational systems. However, there are three issues that can engender conflict and resentment. The fiscal relationships are still dominated by the central government. While there have been changes over the past five years in the fiscal relationships, many conditions have changed. There are also establishment costs, for instance the Pay Commission decides pay for bureaucrats and does so without thinking of states’ capacity. Public order is the executive responsibility of states, but they don’t have much freedom in this area. Appointment of governors is supposed to be done with the consultation of the states. However, the governors are the eyes and ears of the national government and this is a reason for much resentment. There has been gradual erosion of Section 370 of the constitution that guarantees autonomy to the state of Jammu and Kashmir. This has become a major source of resentment. Residents of those states argue that when there is a crisis of governance, there is an assurance of autonomy that is later shelved. Another issue that sparks intergovernmental distrust is the creation of new states in India. Parliament decided to separate the 25 states to 28 with little consultation with the states on the issue.

These three case studies highlight the structural differences in federalism. Austria’s federalism is highly integrated and uses informal networks effectively as might be expected in a small
country. Australia has what has been called dualist federalism with many constitutional constraints. India’s federal system has centralist features and hence cooperation can be very difficult. The cases clearly point out the immense diversity encompassing small vs. large countries, established vs. new federalism, settled vs. unsettled federalism, and crisis vs. non-crisis situations. According to one of the participants in the session, there are nine states in India in which some form of armed forces are engaged to establish control.

“The centre gets greedy in a crisis state”, this participant said.

Nevertheless, there are also commonalities that cut across these variations. The commonalities were addressed in the form of questions including: How are good relationships defined? How important are formal and informal relationships? What are the constraints against intergovernmental cooperation? What is the role of the judiciary in assuring a balance needed for good intergovernmental relationships? What is the role of the public in encouraging and demanding intergovernmental cooperation? What about the democratic accountability of institutions?

2. The Importance of Formal and Informal Relationships

While this was not a predominant question for the group, it did launch forth a discussion on trust and conflict. Trust can be very difficult when there are losers in the power struggle. Those losers are often states and localities. Trust can also be difficult to achieve if the participants believe that attempts to come together to solve problems are symbolic or political in nature with no intent to follow-up on discussions. Finally, it was pointed out that it is a mistake to define effectiveness as “no conflict”. Conflict can be good. It is an opportunity to exert power.

While tension is inherent in federalism, this tension can be either creative or hostile. Formal organizations where national, state and local officials come together on a regular basis to discuss problems can help generate trust and create institutions that are responsive. These institutions can fill the need of ongoing and recurring relationships.
Techniques, Structures, and Processes

Australia uses primarily formal mechanisms for cooperation, although the states are exploring informal mechanisms as well. The main vehicle is the Council of Australian Governments (COAG) made up of the prime minister, state premiers, territory chief ministers and the president of the Australian Local Government Association. In the 1990s, it was viewed as successful; in more recent times, however, it has been less productive. Some feel that the agenda seems to be more about newspaper headlines and partisan showcasing. The COAG provides a means for some level of cooperation, but it is not robust and has little capacity to enforce and implement agreements.

In 2006 the Council for the Australian Federation was launched to ensure better cooperation among the states and territories and to give them a united voice in their dealings with the Commonwealth. The Council does not substitute the COAG but rather complements it by providing a forum for state-territory agreement. India has many formal mechanisms but they are not working well. There are formal ministers’ conferences, but these haven’t been very successful. There is also North-East Council that has both horizontal and vertical dimensions. It is horizontal because it involves seven states. It is vertical because their main concern is a greater voice in the centre.

It was generally agreed that informal relationships were also the key. These may involve efforts as diverse as political parties and civil servants working together. In India, for example, the proliferation of state-based political parties has been an important component of the progress of federalism.

3. Constraints Affecting Intergovernmental Cooperation

The size of a country is an important constraint. Austria has eight million people. Switzerland is smaller than Delhi and has twenty-six cantons. There is a great deal of horizontal cooperation in these countries. In Switzerland cantons have to work together to build prisons since the cantons are too small to do it alone.

Heterogeneity is also a key. More homogeneous societies might
find cooperation much easier than more complex governments. For example, Nepal is exploring federalism. Nepal is a small country but it has twenty-nine different ethnic groups. Belgium is another small and socially complex country, which is an excellent example of cooperation and peace.

4. The Roles of the Judiciary, the Public and Democratic Accountability of Institutions

In Australia, the Supreme Court has been responsible for weakening the spirit of federalism. In 2006 the high court in Australia defeated the states’ challenge to the Commonwealth’s national industrial relations laws that expand the Commonwealth’s power to make laws with respect to certain types of corporations. The decision was part of a series of rulings that the powers expressly granted to the Commonwealth. The tendency of high courts to support the national government led one participant to note that federal and state governments should avoid going to courts and should settle their difficulties on their own—using formal or informal mechanisms discussed earlier.

In Austria people know what is going on in different regions and expect cooperation among governmental officials. In other countries, newspapers and the media can help inform citizens. India has a strong regional media that helps put pressure at various governmental levels. Civic education can also enhance the potential role of the public in monitoring events and promoting intergovernmental cooperation.

In federal countries and others, there is often a democratic deficit because most decisions are made by executives who tend to be secretive and are reluctant to involve the public. Canada was seen as an example where the power of administrators making decisions with little public involvement has been a hot issue. The key is to encourage discussions among politicians and administrators. Intergovernmental forums where politicians and administrators can engage each other would be helpful. The issues facing federal countries—poverty, inequality, and security—are difficult. Intergovernmental relations need to be helpful not obstructive in addressing
these issues. Federalism and democracy are complicated—especially if not well developed in both spheres. The challenge is to make existing federal/state structures more workable, more rational, and less dysfunctional. Constitutional changes, establishment of formal intergovernmental linkages, and improving informal cooperative arrangements are important steps in the process.

### 5. Managing Disasters and Emergencies Effectively

Work session 20 focused on intergovernmental responsibilities in planning for and executing responses to disasters and emergencies. It focused primarily on issues in India and the United States but also took into account the intergovernmental response to disasters in Austria and Canada. A discussion ensued on the intergovernmental management of disasters and emergencies and the age-old questions regarding who should do what in the federal system. Pertinent questions were posed probing into the government’s responsibility in disaster management cases. An important observation was made on whether the responsibility should go from top to downward or upward from the local level, and then to the state levels of government. Most agreed that responsibility in such cases should go upward, from the local level, to the state level and finally to the national government. It is at the local level that the initial response takes place. However, the participants agreed that the plan had to be in place before the event—a plan that was devised at the state or national level.

In addition, in extraordinary events such as Hurricane Katrina in the United States in 2005 or the tsunami that hit Indonesia and India in 2004, an international dimension has to be taken into account. International groups and the United Nations play a role at least in the response phase. For example, the United Nations called the 1990s the “International Decade for Natural Disaster Reduction”. The agenda was to improve the capacity of each country to mitigate the effects of natural disasters expeditiously and effectively, and to develop measures for the assessment, prediction, prevention and mitigation of natural disasters through programmes
Interaction in Federal Systems

of technical assistance and technology transfer, demonstration projects, and education and training, tailored to specific disasters and locations and to evaluate the effectiveness of those programmes.

The group made a clear distinction between pre-disaster and after-disaster phases. They felt that in the pre-disaster phase which includes planning, the higher government levels—national and state—were crucial. India can be seen as a relevant case in this context. India started planning 7-9 years ago when the Finance Commission first looked into disasters. With an earthquake hit in Kashmir, the responsibility for responding came primarily from the state. The armed forces were seen as the last option. While the first responses come from local officials, they should implement a plan beforehand; however, they should not be responsible for paying for the response or devising solutions. Issues dealing with rehabilitation are particularly problematic for local governments. Local governments do not have the responses to provide long-term housing solutions or to put incentives in place for building away from disaster prone areas.

The group concluded that a number of lessons could be learnt from the intergovernmental experiences of India and United States:

5.1 Good public policy concerning emergencies and disasters cannot simply rely on reaction; it calls for a proactive initiative.

In India and other countries dealing with major disasters in recent years, public policy has generally focused on relief-funding for immediate relief and restoration. The proactive approach in India includes issues of prevention, mitigation, preparedness, responses, relief, reconstruction and recovery. The role of the government has expanded from search and rescue operations to the prevention of disasters through effective early warning systems and usage of latest technology to mitigate the effect of cyclones, tsunamis, earthquakes, landslides, floods, drought, and river erosion. However, this responsive approach has not been ideal. In 2001, India put in place the National Calamity Contingency Fund. The fund is recouped every year by the levy of a surcharge on central taxes.
5.2 It is necessary but not sufficient to have an emergency plan in place.

Disasters can be effectively managed when we are prepared. Taking preventive steps to curtail damage, getting the rescue and relief machinery in place, arranging for rehabilitation strategies and funds well in time, helps to control the damage. However, a plan is only a plan. It must be implemented by those who are well trained and have the resources to carry it out. In a country as large and diverse as India, the implementation can be difficult. The discussion focused on the difficulties in carrying out plans devised at higher levels.

In December 2005 the Indian Parliament enacted a law with the passage of the National Disaster Management Act. It was the first of its kind in Asia and helped to shift the focus from response to proactive preparedness. The National Disaster Management Authority is headed by the prime minister and the State Disaster Management is authorized by the respective chief ministers.

The Government of India has shifted focus from response and relief and now concentrates on achieving a holistic management of the entire disaster cycle—prevention, mitigation, preparedness, response, relief, reconstruction and recovery. The role of the government has expanded from mere search and rescue operations, i.e. merely providing immediate assistance to the affected people.

However, participants expressed their concern to integrate developmental planning at the Planning Commission level. This will then percolate down to the local governments and panchayats at the village level.

5.3 Plans alone won’t work if localities and states don’t have resources or will.

The Indian Ministry of State for Home Affairs in collaboration with the United National Development Programme (UNDP) is implementing a large community based Disaster Risk Management Programme in 169 multi-hazard districts in 17 selected states of India. Initiated in 2002 at a cost of $34 million, it includes targeting vulnerable groups; preparedness and mitigation plans; public awareness campaigns, and institutionalization of the response
mechanism including early warning mechanisms. It also provides for disaster management to be introduced as a subject in the school curricula.

There was considerable discussion on whether these districts were receiving the training and were developing plans as they were supposed to. Among other issues raised was the lack of proper monitoring to assure implementation. The community based disaster management programme has not been uniformly administered.

5.4 Technology is an important component of disaster-management.

Modern GPS and satellite technology systems can greatly assist communities and states in anticipating a natural emergency. Yet there are more examples of where technology has failed. Indian officials said they were not informed of the 2004 tsunami until hours after it had hit Indonesia. Had they known earlier, they might have alerted their own citizens of the imminent danger. However, availability and use of this technology to mitigate effects would be a crucial step to initiate an emergency response.

5.5 Countries can’t rely on the UN or NGOs for assistance.

Global challenges need global cooperation. Disasters do not recognize state systems or borders. While the UN General Assembly in the 1990s highlighted national disaster reduction and tried to improve the preparedness amongst the common public to avert disasters, plans must be put in place and implemented by the countries in question.

There was also a detailed discussion on the role of NGOs in alleviating the suffering of those affected by disasters and emergencies. There were some complaints about the NGOs and their goals. Perhaps they were advancing their own organizational goals rather than helping those in need. Concerns were raised regarding the importance of NGOs providing long-term solutions. This is possible only if initiative is mainstreamed into an existing pro-
gramme and spearheaded by a department having a considerable rural base. Finally, there were concerns regarding credit taking. For example, during the 2004 tsunami more than 150 NGOs came forward to offer help, however, only a dozen were able to provide financial assistance.

6. Was Katrina an Exception in the United States?

There was also a discussion on the largest recent natural disaster in the United States—Hurricane Katrina in 2005. Most agreed that Katrina was an exceptional case. In the United States, the shared intergovernmental arrangement generally works well. The local government is the first responder; states are the second responders and they step in when the local governments request them to do so. The federal government is the third responder and step in when states put forward a request. The federal government provides assistance during and after disasters and funding to prepare for disasters. State/localities must have disaster management plan. While the Katrina hurricane was and continues to be a difficult case for the United States, other natural disasters like forest fires and floods follow the more usual cooperative course in the United States.

Interestingly, recent assessments of the governmental response to hurricane Katrina in the United States by the White House and Congress concluded that the role of the federal government should be more proactive and that the federal government should acquire more power and control over disaster relief and response. The model suggested by the White House is one of a centralized national command structure controlling the forces in the field. While these recommendations have not been implemented, the implications for federalism are immense and threatening.

7. What about Intergovernmental Arrangements in Other Countries?

Discussions were held with regard to Canada and Austria. In Austria, there are only two kinds of disasters—avalanches in the
winter and floods in the summer. These are primarily dealt with on a regional basis. Village groups have the primary responsibility for response. The army is involved only in larger disasters. In Canada, responsibility for disasters lies primarily with the municipal level, it then moves up to the provincial and finally the federal level. All municipalities must have disaster responsive plans. Yet local government officials work part time which often results in failure at the implementation stage. Premiers take political responsibility for handling the management of post-disaster initiatives.

8. Are there Other Ways to Deal with Issues such as Risk Assessment?

This has been a major concern in India. Are there ways to keep people, particularly poor people, from living near the water? One suggestion in India is to plant mango groves by the waterside as a way to alleviate the problem. However, this might result in additional problems if during high winds or floods these trees are swept into the houses. In the United States, the opposite is true. Land near the water is typically very expensive but the result may be the same—rebuilding occurs in areas that are vulnerable to further natural disasters. Regional planning is also very crucial. In the US, states have adopted a mutual assistance compact so that their national guards can provide assistance to other states. In the wake of Hurricane Katrina, these troops were ready even before the federal assistance came in.

9. What is the Public’s Role?

What should be the level of involvement of the common public? Should they be responsible for issues concerning the alleviation and response to natural disasters? There was discussion about the importance of alerting the people about the expected responses to natural disasters and then alerting them to impending disasters. The media can play an effective role in this case. In some countries, information is not available to the media and to the people. This can lead to confusion and cause greater casualty. Technology might
provide advanced information to the media who could inform the public on impending natural disasters. Another key point is taking care of people’s dignity. For example, after 9/11 the media was conscious about showing no bodies. In India, however, the first images telecasted after any national disaster are the bodies of the dead.

In India, there were issues of bureaucrats blaming other bureaucrats for problems in response. In the United States, governments blamed other governments and the citizens often assessed blame on them all.

10. Future Issues Related to Natural Disasters and Emergencies

Global warming raises many concerns about flooding and other natural disasters. The public should be informed on the potential impact of the rising sea level and the impact on vulnerable areas, particularly low-lying areas. Most delegates posed that natural disasters are often a global issue. No single country or state can handle the disaster alone. Another challenge today, is the degradation of the environment. Communication and involvement of the common public is important in dealing with these long-term issues.