

## **The Dangers of Centralisation**

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Well-known Marxist scholar, the late Amalendu Guha, had argued persuasively that in modern India there co-existed in the minds of the people a dual national consciousness: a local, regional-linguistic nationality consciousness, of being a Bengali, or a Tamil, or a Gujarati or an Odiya; and also simultaneously an overarching pan-Indian consciousness. This duality, he had argued, had to be cognized and accepted; an over-emphasis on either one to the exclusion of the other would produce a dangerous reaction. In particular, excessive centralisation that emphasizes only the pan-Indian consciousness, will produce a reaction against itself, in terms of local separatism or even secessionism that threatens the unity of the nation.

Amalendu Guha was writing in the context of the centralisation that had occurred under Indira Gandhi, which of course was free of any traces of Hindutva-neofascism, and the reaction it had produced in terms of the Assam agitation of the early 1980s. But the same threat looms before the country today with the neo-fascist centralisation that is unfolding with amazing rapidity in front of our very eyes.

Fascism, no matter what its other specificities, is invariably associated with extreme centralisation. In fact, its cult of “the leader” (der Fuhrer) inverts the location of the origin of power: power resides not with the people, in the sense of the real people, who are supposed to be represented by the leader(s), but with “the leader” who may claim to represent the people in an idealised sense, that is, people as a metaphysical entity and that too only a subset of them, such as the Hindus, or some ethnic majority (i.e., barring those who are “othered”). Centralisation is the immanent expression of this inverted conception of the location of power; not surprisingly, the NDA government has carried centralisation of resources and power to an unprecedented extent.

To be sure, neoliberalism itself entails centralisation, since the corporate-financial oligarchy that exercises hegemony under it, wants power and resources to be concentrated in the hands of a state pliant to its wishes; but with a corporate-neofascist alliance coming into being as neoliberalism enters a period of crisis, this process of centralisation gets greatly strengthened.

We shall not go here into details; but one obvious instance of centralisation of resources is the introduction of the Goods and Services Tax in the place of the old sales tax, which had been envisaged in the Constitution as the main source of revenue for state governments, and which had contributed around 80 percent of their revenue. This replacement was done on the basis of an argument that was altogether spurious, though favoured by neoliberalism, namely that a Value Added Tax (which the GST is), quite apart from avoiding cascading effects of taxation, has the advantage of unifying the national market if levied at a uniform rate on each commodity (even if there are multiple rates, that is, even if the rates vary across commodities). For having this uniform rate, it was essential that this rate be fixed by a body different from the state governments; state governments therefore should surrender their taxing powers to it. This body was the GST Council where the central government too was represented along with state governments.

The spuriousness of this argument for replacing the sales tax with the GST becomes obvious when we recall that the largest capitalist country of the world, the US, has tax rates differing across states (in deference to the principle of federalism); nobody can argue that the US does not have a unified market or that its having commodity tax rates differing across states has prevented it from acquiring economic strength.

The GST meant a surrender of the constitutional rights of state governments; but they were persuaded to do so by the promise that the centre would compensate them for any loss of revenue below a 14 per cent growth-rate per year starting from the base year, for a period of five years. As a matter of fact, comparing the pre-GST with the post-GST period, it becomes clear that the growth rate of revenue from taxes replaced by GST exceeds the growth rate of revenue from State GST (SGST) together with the compensation paid by the centre. What is more, even as a percentage of the Gross State Domestic Product, the revenue from SGST plus central compensation is lower than the percentage of revenue from the replaced taxes to GSDP in the pre-GST period for most states.

The states in short have suffered a revenue loss through GST even when the central compensation is taken into account; and even more importantly, they have suffered a loss in their constitutional rights, and now have to appear as supplicants before the centre. This is a real body blow against federalism.

Alongside the centralisation of resources, there are also parallel moves to centralise power, and one instrument used for this is the centrally-appointed governor. The governor these days is generally drawn from the ranks either of the Hindutva faithfuls, or of pliant bureaucrats who can be relied upon to do the central government's bidding. This did not raise many eyebrows in the beginning since the governor's post was generally seen anyway as a sinecure for retired politicians or bureaucrats, who could do no harm since the governor was taken to be a mere figurehead. But now the governors have started throwing their weight around and obstructing the activities of the elected state governments.

A crucial area where this is happening is with regard to state universities, where the governors, in their routine capacity as chancellors of these universities, have taken upon themselves the task of appointing vice-chancellors and scuttling in the process the role of state governments.

The University Grants Commission, a body appointed entirely by the central government and consisting again of its faithfuls, has just issued a set of draft guidelines that have far-reaching implications for the future of higher education in the country; but we shall here be concerned with only one element of these guidelines, which is to eliminate the role of the state governments in the selection of vice-chancellors of state universities.

Until now the three-member search committee that recommended names for vice-chancellorship, was supposed to have two members appointed by the executive council of the university and one suggested by the chancellor (who usually consulted the state government on the matter); but the Draft UGC Guidelines stipulate that the three members should consist of a UGC nominee, a chancellor's nominee and an EC nominee. With the governor no longer considering himself or herself obliged to take heed of the state government's view in the matter, this means that the state government will have no say in the appointment of vice-chancellors in state universities funded by it, while the central government, through the

nominees of both the UGC and the governor, will decide on who becomes VC even in state universities. This is centralisation with a vengeance in the sphere of higher education.

It is entirely against the letter and spirit of the Constitution that governors should become wholly independent of state governments and, by acting at the behest of the central government, give a massive push to the centralisation of power in the realm of the polity. Even more important, by riding roughshod over the elected state government, governors are showing a disregard for the people's mandate that can only have disastrous consequences. If an unelected governor is allowed to function independently and even against the wishes of an elected government, then that obviously constitutes an abridgement of democracy. And such an abridgement, if persisted with, will inevitably bring forth a reaction that threatens the country's stability.

The careful delineation of the resources and powers of the central and state governments in the Constitution, the provision for an independent Finance Commission to boost the resources of state governments, were all in sync with, and meant to balance the two sides of, the dual national consciousness that the people of modern India have come to acquire. Centralisation entails the suppression of state governments and hence a devaluation, even if implicitly, of the regional-linguistic nationality consciousness. This particular instance of the violation of the Constitution is not just anti-democratic; it is fraught with extremely serious consequences of which the central government in its short-sightedness appears to be entirely oblivious.

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