Blaming the States: How "A Sixth of Humanity" Goes Wrong

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Abstract

A new book by Devesh Kapur and Arvind Subramanian, *A Sixth of Humanity*, offers an unsparing critique of India's record in economic and social development since 1947. A central theme is that state governments bear much of the blame for development failures. This is a misguided assessment. States have less agency than Kapur and Subramanian suggest. A key weakness of the Indian system is over-centralization. A powerful central government made disastrous choices about national priorities between 1950 and 1980. Delhi then failed to unwind those choices promptly after 1980, so that India missed an opportunity presented by economic globalization. Next, Delhi expanded a battery of hard-to-implement schemes trenching on state authority. At independence, India's founders were convinced that centralization was the pathway to national strength. Experience gives reason to question this hypothesis, especially as the conditions of governance become more challenging. Giving states more responsibility might lead to a more dynamic, prosperous and resilient country.

Keywords: India; economic reforms; development; Sixth of Humanity; Indian federalism; Indian governance

Culpar a los Estados: Cómo "Una sexta parte de la humanidad" salió mal

Resumen

Un nuevo libro de Devesh Kapur y Arvind Subramanian, "Una sexta parte de la humanidad", ofrece una crítica implacable del historial de la India en materia de desarrollo económico y social desde 1947. Un tema central es que los gobiernos estatales son en gran medida responsables de los fracasos en materia de desarrollo. Esta es una evaluación errónea. Los estados tienen menos capacidad de acción de la que sugieren Kapur y Subramanian. Una debilidad

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clave del sistema indio es la excesiva centralización. Un poderoso gobierno central tomó decisiones desastrosas sobre las prioridades nacionales entre 1950 y 1980. Posteriormente, Delhi no revirtió esas decisiones con prontitud tras 1980, por lo que la India perdió una oportunidad que brindaba la globalización económica. A continuación, Delhi amplió una serie de planes difíciles de implementar que socavaban la autoridad estatal. En el momento de la independencia, los fundadores de la India estaban convencidos de que la centralización era el camino hacia la fortaleza nacional. La experiencia da motivos para cuestionar esta hipótesis, especialmente a medida que las condiciones de gobernanza se vuelven más difíciles. Otorgar mayor responsabilidad a los estados podría conducir a un país más dinámico, próspero y resiliente.

Palabras clave: India; reformas económicas; desarrollo; Sexto grado de humanidad; federalismo indio; gobierno indio

归咎于国家：“六分之一的人类”何以误入歧途

摘要

Devesh Kapur和Arvind Subramanian的新作《六分之一的人类》对印度自1947年以来的经济和社会发展表现提出了严厉批评。该书的一个核心观点是，各邦政府应为发展失败承担主要责任。然而，这种评估是有失偏颇的。各邦拥有的自主权远比Kapur和Subramanian所认为的要少。印度体制的一个主要弊端在于权力过度集中。在1950年至1980年间，强势的中央政府在国家发展重点的选择上犯下了灾难性的错误。1980年之后，德里方面未能及时扭转这些错误决策，致使印度错失了经济全球化带来的机遇。此外，德里还推行了一系列难以落实且侵犯各邦权力的政策措施。印度建国之初，开国元勋们坚信中央集权是实现国家强盛的必由之路。然而，实践经验让人有理由质疑这一假设，尤其是在治理环境日益严峻的当下。赋予各邦更多责任，或许能让印度成为一个更具活力、更加繁荣且更具韧性的国家。

关键词：印度，经济改革，发展，《六分之一的人类》，印度联邦制，印度治理

Failed States?

A Sixth of Humanity: Independent India's Development Odyssey, written by Devesh Kapur and Arvind Subramanian and published in 2025, is an impressive review of India's record in pursuing economic growth, social development, and good governance since 1947 (Kapur and Subramanian 2025). The authors are unsparing in their conclusions. They acknowledge that India's leaders have succeeded in holding the country together, maintaining internal order, and consolidating the routines of democratic politics. But India's economic performance has lagged behind other countries that started in similar circumstances. Too many Indian citizens still suffer from poverty, lack of education, malnutrition and illness. Infrastructure—roads, water and sewerage, electricity—is inadequate. Courts struggle to dispense justice, while legislatures and government agencies are often unresponsive and corrupt.

Kapur and Subramanian—henceforth, K&S—offer several explanations for India's failure to do better, some of which they enumerate as the "pathologies" of Indian governance. These include an elite obsession in early years with state-led industrialization and self-sufficiency, a popular culture that looks habitually to government as "provider and protector," a commitment to mass democracy that has impeded deep economic and social reforms, and caste and communal conflicts that have weakened public institutions and the ability to improve public services (Kapur and Subramanian 2025, Chapters 16 and 17).

One potential explanation for performance failure is notably downplayed: the top-heavy structure of the Indian federation. K&S briefly acknowledge that there is a case for devolving powers from Delhi to the states, and also "the counterfactual 'what might have been' question" of whether India would have done better if the system had been less centralized (Kapur and Subramanian 2025, 504). Overall, though, *A Sixth of Humanity* gives the topic of federalism short shrift and tends to reinforce the conventional wisdom of eighty years ago—that Delhi must be strong, because states are too backward or incompetent to be trusted. If the centre has encroached on state authority over the last eight decades, K&S suggest, this is often because states have neglected their obligations.

Indeed, one of the main aims of this book is to challenge the widely held view that responsibility for performance failures since independence lies mainly with Delhi. K&S insist the habit of fixing blame primarily on the centre is "misplaced":

> *Many or most of the failures associated with 'India'* tend to be involuntarily associated with the central government but *are in fact failures of state governments* that had the constitutional responsibility for key governance domains (land, agriculture, education, health, urbanization), and particularly in providing everyday public services, such

> as law and order (Kapur and Subramanian 2025, xx) (emphases added).

"A theme of this book," K&S say later, is "that if the Centre in India did something badly, the states did it worse" (Kapur and Subramanian 2025, 305). K&S recount how states fumbled on land reform, neglected essential services, and allowed their core institutions—legislatures, bureaucracies, and courts—to become corrupt and ineffectual. Again, we are reminded: "Most failures on public goods are areas where the constitutional responsibility to address them lies with state and local governments, not the Centre" (Kapur and Subramanian 2025, 379). And again: "[F]or the most part, states' own actions have mired them in governance or institutional traps that have hampered economic development" (Kapur and Subramanian 2025, 537).

In fact, India's highly centralized form of federalism has played a larger role in performance failures than K&S acknowledge, for four reasons. First, centralization means that the agency of states has been substantially constrained, so that they have limited room to experiment and weaker incentives to perform well. Second, centralization has made the entire country vulnerable to errors by the centre, such as its disastrous choices on economic and social policy between the 1950s and 1970s. Third, centralization has made the country susceptible to delay or inaction by the centre—illustrated by the failure to dismantle economic controls quickly during the historical moment of economic globalization. And fourth, centralization has burdened the country with nationwide schemes whose effectiveness is compromised by their scale and complexity.

India's founders believed that top-heavy federalism would make the nation stronger and more resilient. In some ways, they may have been right, especially in the "dangerous decades" immediately following independence (Harrison 1960). India did not crack up as many expected. But there is strong evidence that over-centralization also contributed to stunted economic growth, less educated and healthy citizens, and more fragile institutions—in sum, that over-centralization made India weaker today than it might have been otherwise. Moreover, the costs of over-centralization continue to accrue. A top-heavy system is likely to make the country more vulnerable to the strains and shocks of coming decades.

Irresponsible Government

That India has a highly centralized form of federal government has long been recognized. K.C. Wheare famously described the Indian system as "quasi-federal"; more recently, Justice Rohinton Fali Nariman suggested the better phrase might be "quasi-unitary" (Wheare 1968; Nariman 2016). The Supreme Court of India in its landmark 1994 *Bommai* decision described the Indian constitution as one "overlaid by strongly 'unitary' features" (Supreme Court of India 1994).

K&S agree with these characterizations, observing that centralization

was one of the "fateful choices" made by Indian leaders in the late 1940s. They enumerate several ways in which the constitution gave Delhi the upper hand, notably in the distribution of powers to make laws and impose taxes. Over time, Delhi's formal authority grew larger, so that it became the gravitational centre of Indian political life: "The Delhi policy establishment … [was] the only one that mattered." Especially in the early decades, anyone with talent "wanted to be in Delhi because that was where the action was" (Kapur and Subramanian 2025, 584-586).

Centralization was partly determined by history. The British colonial order had also been Delhi-centric, and Indian founders were reluctant to jettison the existing machinery of government. But the founders also believed that centralization was essential to preserve national unity and public order, allow economic planning, and counter the narrow provincialism of state and local leaders. K&S suggest that the founders made the right choice: given the circumstances, centralization was "historically unavoidable" (Kapur and Subramanian 2025, 26, 456).

But if Delhi is the dominant player within the Indian federation, can states really be held accountable for development failures? Are they not saved by what is known in criminal law as the defence of diminished responsibility? K&S are reluctant to go this far. They concede that state governments had "limited agency" in early decades of the republic, and that Delhi was the "command centre and cynosure" at that time (Kapur and Subramanian 2025, 27, 465, 536). At the same time, though, they condemn states for "historical neglect" of education and healthcare, which implies that states had enough agency to attract blame even in the early years (Kapur and Subramanian 2025, 96). Moreover, K&S believe that states had substantially more agency after the crack-up of the Congress establishment in the late 1960s, and even more after the 1991 economic reforms—which would make them more blameworthy as well (Kapur and Subramanian 2025, 504, 536, 585).

The premise of K&S's argument is that states had freedom to make important policy choices, and that overall they did not exercise it wisely. But K&S do not give this critical assumption the attention that it deserves. Granted, states have always had some measure of latitude, and some have wielded their powers more productively than others, as K&S show. Generally, though, *A Sixth of Humanity* overstates the extent of state autonomy, past or present, and understates the ways in which the federal system has blunted the incentives for states to act responsibly.

Constraints on state action include the "High Command style" of Indian party politics—invented by Congress and still practiced by the Bharatiya Janata Party—which allows party leaders in Delhi to influence or determine the selection of chief ministers in states where their party has a legislative majority (Jaffrelot and Kalyankar 2019). Delhi has also corralled states through President's Rule, a constitutional provi-

sion that allows it to take direct control when state government has in its view broken down. President's Rule is not an archaism: it has been invoked 25 times since 2000. In addition, Delhi appoints and removes state governors, who often use their powers to delay or block state laws that collide with central priorities (Singh 2021; Mohan 2023).

Another important aspect of state autonomy relates to the power to levy taxes. As K&S note, the 1950 constitution assigned important bases of taxation—notably income tax—to Delhi alone. Part of the revenue collected by Delhi is transferred to states, and these transfers still constitute a large share of state revenues (Tillin 2019, Table 3.1). Because of this arrangement, states were not confronted with the need to develop the robust administrative capacity necessary to collect income tax. Nor did they have to explain themselves to the citizens and companies who pay it.

Similarly, states face constitutional constraints on their ability to borrow. They are barred from borrowing internationally and may not borrow domestically without Delhi's approval if they are already indebted to the centre, as they all are (Ghosh et al. 2018, 1). Today, state debt is marketed by a central institution, the Reserve Bank of India, with an implicit backing from Delhi. Once again, the burden on states has been lightened, but not without cost. States do not face the discipline of answering to lenders and rating agencies on their own; nor must they build robust and credible debt-management capabilities (Eichengreen and Gupta 2025).

States are also limited in their control over how government itself is organized. For example, American states are free to renovate their own constitutions and have done so frequently (Dinan 2018, 23). Indian states are more constrained. The national constitution dictates in detail how state executives, legislatures, and political parties should be organized. It specifies the structure of state high courts and gives Delhi the right to appoint the judges serving on them. It requires that every state establish a commission to oversee its bureaucracy, prescribes what the commission should do, and limits the power of states to discipline or dismiss their employees. In addition, Delhi may identify posts within the states that are reserved for members of the centrally run Indian Administrative Service (IAS) and Indian Police Service (IPS).

State governments in other federations often have broad discretion over the organization of local government. Indian states do not. Districts, a unit of local government inherited from the colonial era, are critical first postings for IAS and IPS officers. As a result, it would be difficult for state governments to abandon districts as a unit of administration, because it would disrupt the operation of these central civil services. Blocks, the next level down in rural government, were introduced as part of Delhi's planning scheme in the 1950s. Amendments to the national constitution in 1992 laid out a detailed scheme for elected government in rural areas founded on the system of districts and blocks, and imposed a template for urban governance as well.

Beyond the strictures of the constitution, there are other ways in which Delhi has directed the architecture of state governments. States created planning boards in the 1950s because they were essential to participate in the nationwide planning system set up by the centre; state-level electricity boards were mandated by Delhi in 1948 and then re-organized by Delhi in 2003; and state-level agricultural marketing institutions of the 1960s and 1970s were based on a template promoted by Delhi (Hanson 1966, 75; Acharya 2004; Dubash et al. 2019). Other state and local institutions—police forces, schools, and social services—have been shaped profoundly by laws, programs, and court rulings formulated at the centre.

Drafters of the Indian constitution said in the late 1940s that their aim was to bring the principle of responsible government to India (Rushbrook-Williams 1949). Regarding states, the actual effect may have been to encourage a form of irresponsible government. To a greater extent than is recognized by K&S, states have been denied the opportunity—and the onus—of making basic choices about the design and function of government. At the same time, they have been immunized from the full consequences of bad choices—from disorder, default, and impoverishment. Delhi has always been there to compensate for lapses, impose its remedies, and blur the lines of accountability.

If blame must be assigned for state failures, then a good part of it belongs to the design of the federal system. The system constrained the discretion of state leaders out of fear that they would make bad choices, and that the usual correctives for bad choices—facing the wrath of protesters, voters, taxpayers, and creditors—would be slow and ineffectual. The end result, it was thought, would be instability and inconsistency in development across the country. But error avoidance came at a price. States were limited in their ability to experiment with reforms that might have accelerated development and faced weaker incentives to launch them or abandon them when they failed. The country as a whole was denied the opportunity to watch and learn as many states searched for the best path forward.

Eggs in One Basket

In their discussion of governance challenges in India's most populous state, Uttar Pradesh, K&S observe: "Centralization and scale amplify consequences, both good and bad" (Kapur and Subramanian 2025, 534). It is a passing comment that deserves more emphasis. What holds for Uttar Pradesh holds for India as a whole. The top-heavy form of Indian federalism makes the well-being of a vast population vulnerable to mistakes made by the centre. This danger is not hypothetical. *A Sixth of Humanity* is the latest in a string of books documenting how Delhi hobbled development between the 1950s and 1970s.

In the early years of the Indian republic, few took this danger seriously. Congress was led by a small elite—Granville Austin describes it as an oligarchy

with "god-like status"—that had forged a strong sense of solidarity and self-confidence during the struggle for independence (Austin 1999a, 21). Brajeshwar Prasad, a Bihari independence fighter, thought the Congress leadership "utterly incapable of doing any wrong to the people" (*Constituent Assembly Debates*, 2 December 1948). This political elite was supported by an administrative service drawn from "the cream of educated youth" (Times of India 1948). Delhi also built up a cadre of planning experts who were, in the words of P.C. Mahalanobis, "cock-sure about their own infallibility" (Rajagopalan 2020, 80). Nehru described Mahalanobis himself as "the presiding genius" of his planning system (Nehru 1984, 17, 288).

The strategy of economic and social development devised by Nehru's government emphasized rapid industrialization and economic self-sufficiency. The top priority was coal mines, hydropower dams, railroads, and massive plants for producing iron, steel, and heavy machinery. Key industries were state-owned while others operated under government licenses. Production was for the Indian market, and producers were protected from foreign competition by high tariffs. Delhi discouraged mass production of consumer goods, which were reserved for small firms and cooperatives.

Reform of agriculture was a lower priority. Nehru's government said that it wanted to redistribute land more fairly, reduce the number of absentee landlords, and experiment with collective farming. But Delhi left the implementation of these reforms to states and did not use its political weight to ensure that states took them seriously. The land reform exercise, Paul Brass has written, was farcical: redistribution was "practically non-existent or cruel" (Brass 1994, 279). Efforts to improve land records and educate farmers about better techniques were similarly half-hearted (Frankel 2005, 105, 137, 154; Kapur and Subramanian 2025, 124). Nehru believed that industry should have first call on government spending, and that dramatic improvements in farm productivity were possible "without any large additional expenditure" (Frankel 2005, 141).

Delhi also short-changed investments in people. The constitution promised "free and compulsory education for all children" by 1960, but Delhi put more emphasis on higher education to prepare engineers and scientists for an industrial economy (Mody 2023, Chapter 6). Similarly, the centre professed its commitment to building a nationwide system of primary healthcare, but funding was "woefully inadequate" (Tillin et al. 2015, 43). A community development program launched by Delhi in the mid-1950s to promote village education and public health was dismissed 20 years later as "a total failure" (Karunaratne 1976).

By the mid-1960s there were already signs that the Nehruvian strategy was failing. Targets for industrialization were not being met and over-regulation was breeding corruption. Slow growth in agriculture, combined with population growth and drought, led to food

shortages and a humiliating appeal for American aid. Health improvements were modest, and a large majority of Indians were still unschooled and illiterate (Kapur and Subramanian 2025, 384). Political instability was on the rise: one symptom was a dramatic weakening of support for Congress in the 1967 national and state elections.

Nehru died in 1964; his successors responded to these setbacks by doubling down on centrally guided interventionism. In response to the food crisis, Delhi introduced agricultural price supports to encourage production and pushed states to adopt its model of government-run agricultural marketing (De 2024, 74-76). The Green Revolution was another "top-down fix" to the food crisis that resulted in better crops but also over-use of water and fertilizers (Baranski 2022). Beginning in 1969, Prime Minister Indira Gandhi nationalized banks and other industries, tightened controls on large businesses, and further restricted foreign investment. She also sought to rebuild political support with anti-poverty schemes that intruded into areas constitutionally assigned to states (Tillin 2024, 198).

Despite these interventions, and sometimes because of them, India's development trajectory did not change in the 1970s. In real terms, per capita income in 1980 was scarcely higher than it had been a decade earlier. A complex system of regulations and subsidies choked growth and prevented investment in infrastructure and social services (Bardhan 1998, 61). In 1981, only half of children between 6 and 14 years were enrolled in school, while 60 percent of the population was still illiterate (Weiner 1991, 8). Other countries that started in the same place as India after World War II had made more progress: their citizens were richer, longer-lived, and better educated (Bardhan 1998, 7; Mody 2023, 91 and 201; Kapur and Subramanian 2025, 80–81, 115).

Looking at this record, K&S conclude that the Nehruvian development strategy must be given "a damning historical verdict" (Kapur and Subramanian 2025, 132). They are not alone in this view. Ashoka Mody has recently observed that Nehru's "misguided top-down economic strategy … served neither the material interests of the nation nor the cause of social justice" (Mody 2023, 96). Similarly, Arvind Panagariya has condemned the Nehruvian strategy as "a resounding failure" (Panagariya 2024, xiii).

Little of the responsibility for this grand strategic failure can be put on state governments. It was the political class in Delhi that set priorities and the main lines of policy. While state governments maintained their own planning systems, these were clearly subordinate to Delhi (Hanson 1966, 324). In any case, the capacity of states to steer an independent course was constrained by centrally imposed controls, by centrally made decisions about the allocation of budgets and political attention, and by central interference when states deviated from the script—as when Delhi imposed President's Rule on left-leaning Kerala in the late 1950s (Austin 1999b, 156-164).

The critical point, not sufficiently emphasized by K&S, is that what happened between 1950 and 1980 was not simply a failure of strategy. It was also a failure of systemic design. The quasi-federal—or quasi-unitary—model put Delhi in the driver's seat, on the premise that Delhi would get the fundamentals right. This was a heroic assumption: in any country, at any moment, the probability of strategic misjudgment is substantial, and it is higher still in a country as vast and complicated as India. But the system allowed little recourse when Delhi got it wrong. States could not easily reverse or compensate for its mistakes. Hundreds of millions of people lived shorter and harder lives as a result.

Missing the Moment

Sometimes polities are afflicted not by bad decisions, but by non-decisions: the failure of governments to act decisively when the moment demands it. This has been a problem in recent Indian history. Shifts in the global economy in the early 1980s presented developing countries with an opportunity for rapid growth, if they adopted appropriate policies. China did so, pivoting quickly from Mao-era policies. By contrast, India was slow to abandon the Nehruvian model. As K&S say, the country wrestled with the "challenge of exit" (Kapur and Subramanian 2025, 555). One common explanation is that democratic India could not adjust as quickly as authoritarian China (Bardhan 2010, 144–145). But the story is more complicated than that. The form of Indian democracy—top-heavy federalism—also aggravated the challenge of exit.

The window of opportunity for developing countries opened around 1980. The United States and other Western countries, seeking to escape the economic stagnation of the 1970s, reduced barriers to the importation of manufactured goods and controls on overseas investment (Gilpin 2001, Chapter 1). This policy shift triggered a boom in the global trade of manufactures, as well as massive deindustrialization in the West (Rodrik 2011). Much of that industrial capacity shifted to developing countries that were open to foreign investment and expansion of export-oriented manufacturing. Developing countries had reason to move quickly—not simply because they were competing against one another, but also because this window of opportunity was unlikely to stay open indefinitely. Over the last decade, in fact, the pendulum has swung back to protectionism.

China was one of those countries that seized the moment. Beijing transformed coastal cities into special zones for export-oriented manufacturing and rewarded officials who succeeded in making them work. It also abandoned rural collectivization, leading to a surge in agricultural productivity and a bigger labor pool for manufacturing (Guiheux 2023). China began this era with important advantages, such as robust local governments that pivoted quickly from Maoism to marketism, as well as a healthy and educated population. Among younger Chinese, the literacy

rate in the early 1980s was almost 90 percent (Feng 2024, 40-41 and 119).

As noted earlier, neglect of education in the decades before 1980 left Indian workers—still largely illiterate—unprepared for the moment. Moreover, Indian manufacturers and farmers were constrained by a thirty-year accretion of controls (Kapur and Subramanian 2025, 147). Delhi had constructed most of this control apparatus and only Delhi could deconstruct it. But Delhi proved unable to pivot as quickly as Beijing. While Congress under Rajiv Gandhi achieved a massive legislative majority in 1984 and promised reform, it made little progress before losing power in 1989 (Kohli 1990, 305-306; Brass 1994, 287; Mukherji and Zarhani 2021, 8-11). India's growth rate increased slightly in the 1980s, but China's increased more. Per capita GDP in China, which had been roughly equal to India's in the 1970s, was 70 percent higher by 1990.[1]

A weak economy and fiscal mismanagement led India to a balance of payments crisis in 1991, which served as a spur to economic reforms (Ahluwalia 2019, 127-176). Over the next decade, Delhi dismantled some controls on private industry, removed currency and import restrictions, lowered tariffs, abandoned its telecom monopoly, and loosened constraints on foreign investment (Ganguly and Mukherji 2011, 87-95). India's growth rate increased in the 1990s, but not dramatically (Ahluwalia 2002, Table 1). By 2000, per capita GDP in China was three times higher than in India. Chinese exports to the United States alone had quadrupled over the preceding ten years (Autor, Dorn et al. 2013, Table 1).

India's liberalization turn of 1991 came late—and afterward, progress was fitful. Delhi struggled to adjust laws restricting large-business layoffs and regulating acquisition of land for industrial expansion. Also unreformed was the thicket of agricultural price supports, input subsidies, and marketing controls. Limits on foreign investment were retained in some areas and privatization of state-owned enterprises moved slowly. The banking and electricity sectors were still largely in government hands a quarter-century after the 1991 crisis (Ahluwalia 2019; Mody 2023; Panagariya 2024). By 2014, per capita GDP in China was *five times higher* than in India.

Why was China more adroit in exploiting the window of opportunity? One common explanation—also favored by K&S—is that India is a democracy, while China is not (Subramanian 2018, 4; Kapur and Subramanian 2025, xix). There is more room in India for protest and resistance by citizens who disagree about the wisdom of reform or fear that they would be worse off because of it. But the challenge for India is not simply that it is a democracy. It is a democracy of a particular design—a quasi-federal state in which Delhi predominates.

This design compromises the adaptability of the system as a whole for two reasons. The first is that the reform struggle is concentrated at the centre and therefore harder to manage.

Between 1950 and 1980, centralization led to the construction of a nationwide system of economic controls, undergirded by national laws. If economic intervention had been driven mainly by states, and founded on state laws, there would have been more room for state-by-state experimentation with reform. The debate would have been broken into more manageable pieces. But centralization tended to make reform a single throw of the dice, involving a much larger number of stakeholders, and requiring more difficult calculations about likely consequences. Large centralized systems are harder to comprehend and restructure.

Because reform politics at the centre are more complicated, a firm hand is required—not necessarily an authoritarian ruler, but at least a strong prime minister and a cohesive cabinet, backed with enough popular support so that reform can be pursued even when losses are suffered by key constituencies. This is exactly what India had during the era of Congress dominance, from 1947 to the mid-1960s, when the Nehruvian strategy was put into practice. But the Nehruvian era was anomalous. This sort of consolidated political control is very hard to achieve in a large and open polity like India. As Paul Brass has observed: "It is impossible in such a diverse country … to maintain a stable structure of national power for long. It is an extremely difficult, prolonged, and absorbing task … [National power] begins to disintegrate at the very point when it appears to have been consolidated" (Brass 1994, 344).[2]

This is the second reason why reform at the centre may be halting and incremental. Scale and diversity mean that party politics tends even more towards fragmentation, so that strong leadership is hard to achieve or maintain. The more likely outcomes are minority or coalition governments, led by weak prime ministers, presiding over divided cabinets. Of course, this is exactly the sort of politics that India experienced at the centre for much of the globalization era—and which contributed substantially to its inability to pivot as quickly as China (Sáez 2002; Ruparelia 2015; Mohan 2023, Chapter 8).

The advent of the Bharatiya Janata Party majority governments after 2014 might seem to suggest that the era of political fragmentation at the centre has ended, and even that the risk of fragmentation is overestimated. But we should not rush to judgement. Observers who were certain about the durability of Congress power in the early 1960s were soon proved wrong, and there are signs that the current political order may be similarly vulnerable (Morris-Jones 1964; Mehta 2026). In any case, the re-consolidation of power under Narendra Modi came too late for India to fully exploit the window of opportunity that opened in 1980. While Delhi dragged its heels, other countries crowded the global market for cheap manufactured goods. By 2017, the main customer for these goods—the United States—was retreating into populist nationalism. The heyday of globalization was over.

Compensatory Centralization and Its Limits

The era that began with the crisis of 1991 was not entirely concerned with the reduction of central controls. While Delhi did loosen economic constraints, it also expanded its influence in other areas, such as policing, urban development, education, healthcare, and welfare. As K&S suggest, many initiatives launched by Delhi in these areas were justified as efforts to compensate for the longstanding failures of state governments (Kapur and Subramanian 2025, 64, 96, 459, 464, 492). For their part, states complained that central schemes often restricted their room for maneuver and ignored variations in circumstances (Reddy and Reddy 2019, 203; Jha et al. 2021, 19-25). In addition, there was another problem, which also ties to the theme of over-centralization: these massive interventions were by their nature prone to waste and ineffectiveness.

In fact, central schemes could be viewed as compensatory in three different ways. Some schemes might plausibly be regarded as attempts to make up for earlier state failures: the Sarva Shiksha Abhiyan (2001) and Rashtriya Madhyamik Shiksha Abhiyan (2009) for education, the National Rural Health Mission (2005) and Ayushman Bharat (2018) for healthcare, and the Swachh Bharat Mission (2014) for public sanitation.

But other schemes are better regarded as efforts to compensate for failures of the Nehruvian development model, not the lapses of state governments. The National Rural Employment Guarantee Act of 2005 promised rural households 100 days of labor on local public works, while the National Food Security Act of 2013 expanded eligibility for subsidized grain rations. Celebrated as victories for social justice, these laws were also admissions of defeat, necessary because rural areas suffered from poverty and hunger despite decades of centrally driven planning. And some schemes—like the PM-KISAN income support scheme and the PMAY housing scheme—were compensatory in a third way, because they protected households from dislocation as India moved to a more turbulent market-oriented model.

In several instances, the Supreme Court of India also prodded the centre into action. Its 1993 decision that children had a justiciable right to education led eventually to a constitutional amendment affirming the right, and then to new central laws (Supreme Court of India 1993). In 2001, the court began enforcing a justiciable right to food, which encouraged Delhi to pass the National Food Security Act (Supreme Court of India 2001). And in 2006 the Supreme Court gave directions to state governments to undertake major police reforms, after concluding that existing practices led to routine violations of fundamental rights (Supreme Court of India 2006).

The overall result of these legislative and judicial efforts was to make Delhi more involved in the delivery of complex human services across the country. Complex services are those that require careful judgement about

the needs of individuals, and skill in performing actions, often over a long period of time. Think of teachers, medical professionals, policemen, and other local officials—people on the frontlines of public service, working at the furthest remove from the centre. After the 1990s especially, Delhi sought to guide millions of such workers across the whole of the country.[3]

Experience with the implementation of these nationwide schemes revealed many problems (Saxena 2019, Chapters 6 and 7; Harriss et al. 2020, 171-173). Money flowing from Delhi was often diverted through waste or corruption before it reached the frontlines. Lower-level officials ignored directives or went through the motions, excluded some intended clients, or provided them with shoddy service. These problems often went uncorrected because Delhi could not truly see what was happening at lower levels. The sheer scale of these programs made oversight difficult. Success was hard to define and measure, and subordinates withheld or manipulated data—unsurprisingly, given that they were reporting on their own performance. Reflecting on such problems, Lant Pritchett in 2009 characterized India as a "flailing state": one in which "elite institutions" in Delhi are unable to control "the everyday actions of the field level agents of the state" (Pritchett 2009, 4).

But the condition described by Pritchett is not unique to India. Political and military leaders have long recognized how top-level control decays as organizations grow larger (Van Creveld 1985, 8-9; Roberts 2023, 29-32). In 1963, Nikita Khrushchev said that managing the vast Soviet bureaucracy was like trying to move your hand through "a tub full of dough" (Suny 2006, 271). A senior Chinese official observed in 2005 that the "biggest problem" facing Beijing was the inability to get local officials to follow its decrees: "Those down below simply won't listen" (Zhang 2005). Oliver Williamson, a Nobel laureate, observed in 1967 that bureaucracies suffer from the "control loss phenomenon": as size increases and the chain of command grows longer, executives struggle to monitor subordinates and ensure that instructions are followed (Williamson 1967). In the same year, Anthony Downs coined the Law of Diminishing Control: "The larger any organization becomes, the weaker is the control over its actions exercised by those at the top" (Downs 1967, 143).

The usual technique for managing control loss in the private sector is to delegate operational responsibilities wherever possible, so the centre can focus on a few reliable measures of performance. Roughly the same technique was used in empires of the nineteenth and early twentieth centuries. The same concern explains why, in many modern federations, responsibility for complex services is assigned to state or provincial governments (Majeed et al. 2006, 330-334; Anderson 2008, 24-25; Watts 2008, 92-103). Indeed, this holds true even in authoritarian China, where the centre devolves responsibility for complex services to lower levels while retaining overall political control (Dickson 2016, Chapter 4).

Of course, devolution carries its own risks. Some regions will do better than others in providing services, and some will fall short of minimal requirements. But centralization is far from a costless remedy to such problems. The alternative path is to reconstruct state governments so they have more freedom to experiment and sharper incentives to use that freedom intelligently. This is an argument for well-considered decentralization. Over the last 30 years, Delhi has gone the other way: lowering the states' capacity to experiment while raising confusion about where credit or blame belongs (Reddy and Reddy 2019, 76-77; Kumar 2020, 23; EPW 2025).

Strong Centre, Weak Polity?

The Indian republic was founded at a moment when leading thinkers were deeply skeptical about federalism. The British intellectual Harold Laski, an important influence on Nehru, declared in 1939 that federalism was simply obsolete—"a handicap and not a help to governmental progress" (Laski 1939, 367). Lecturing in Madras in 1952, the constitutional scholar Ivor Jennings concurred: "Nobody would have a federal constitution if they could possibly avoid it" (Jennings 1953, 49). An American advisor to the Nehru government, Paul Appleby, was similarly critical, insisting in 1953 that the Indian constitution gave *too little* authority to Delhi: "The Centre is without any real powers in almost the entire field of development" (Appleby 1953, 17, 45, 56).

These sceptics were driven by the belief that regional and local governments were too small-minded and incompetent to manage development, and by frustration over the delays and costs of intergovernmental conflict. The theory promoted by these experts, and generally accepted by the Congress elite, was that the most direct way of building a strong country—one that was united, peaceful, prosperous, and just—was by giving the centre as much authority as circumstances would allow.

This strength-through-centralization hypothesis has been questioned over the years. The Administrative Reforms Commission warned in 1969 that over-centralization could "breed inefficiency" and undermine unity (Administrative Reforms Commission 1969, 4). Similar concerns were expressed in a 1971 report from the government of Tamil Nadu, a 1977 report from West Bengal, and the 1988 report of the Sarkaria Commission (Centre-State Relations Inquiry Committee 1971, 19; Basu 1977; Sarkaria 1988, 543). More recently, Raghuram Rajan and Rohit Lamba have suggested that the fear of disorder that drove centralization eighty years ago is "no longer a primary concern," and India's top-heavy model does not suit a much bigger and more complex society (Rajan and Lamba 2023, 83, 90).

Still, these have been minority voices. Faith in the strength-through-centralization hypothesis has persisted over decades and seems to be sustained within *A Sixth of Humanity* as well. The federal model does not really feature as a central variable in this explanation of Indian development, and references to federalism are equivocal. K&S describe it as an "inherent-

ly fraught" form of government—what form of government is not?—and invoke Ambedkar, who "presciently anticipated that states would be unreliable agents for change" (Kapur and Subramanian 2025, 455, 585). They acknowledge a "strong case for the Centre to devolve more resources and functions to the states," but immediately qualify that statement by observing that states have weakened the case through their past failures (Kapur and Subramanian 2025, 587). Documenting those failures is a major theme within the book.

However, there is good reason to think that the Indian model of federalism has played a larger and more negative role in national development than is acknowledged here. If states have failed to deliver, it is partly because the rules of the game have limited their agency and reduced incentives to act responsibly. Top-heavy federalism has made the entire country dependent on the centre—which may fail to make the right choices (1950–1980) or drift at critical moments (1980–2014). Centralization also tends to produce schemes that are, by dint of scale and complexity, especially prone to implementation failure. These are not minor pathologies: the costs of error, drift, and implementation failure for India have been immense. Over-centralization has made the country weaker than it might have been otherwise.

The question is not only whether top-heavy federalism has done harm in the past, but whether it might do harm in the future. In coming decades, India will face a range of challenges—K&S call these "disrupters"—such as global warming, geopolitical turbulence, demographic shifts, and technological change (George and Gupta 2022; Kapur and Subramanian 2025, 598; Pande 2025; Tellis 2025). In moments of stress there is a temptation to bolster central control rather than loosen it, on the premise that difficult times require a firm hand. But we can easily imagine an alternative scenario—in which the centre is overwhelmed and either miscalculates or succumbs to paralysis, and centrally designed policies break down in the field. An alternative model for national resilience is one in which the centre limits itself to essential tasks, gives states more freedom to manage strains and shocks, and creates an environment where states face more pressure to act wisely (Bednar 2016; Ansell et al. 2024).

When experts anywhere think about systemic reform, there is a tendency to prefer incremental changes that seem politically feasible over larger changes that are "nonstarters" (Schuck 2014, 33). In the case of Indian federalism, incremental proposals for reform include new revenue-sharing formulas, gubernatorial appointment guidelines, and plans to consolidate central schemes. But there can never be substantial transformation of the system without some preliminary theorizing about more fundamental changes. Suppose that a federal system were being designed to suit new realities—not the threats and challenges faced by the Constituent Assembly eight decades ago, but those likely to be faced over the next eight decades. What would that federation look like?

Notes

1 World Bank data, GDP per capita (constant 2015 US dollars). Data based on purchasing-power parity also show a widening China-India gap for the period examined in this paper.

2 Similarly, Pranab Bardhan observes "there is a general problem of collective action in a country where even the elite is highly fragmented" (Bardhan 2010, 134).

3 India is estimated to have about 10 million teachers and 1.4 million schools; 2.7 million police and 18,000 police stations; 200,000 public health facilities employing about 700,000 health professionals; and 500,000 shops distributing subsidized rations. In 2025, there were 15 million ongoing NREGA projects overseen by perhaps 200,000 officials at the block level and below (Bureau of Police Research and Development 2023; Department of Food and Public Distribution 2024; Ministry of Health 2024, 25 and 39; Ministry of Finance 2025; Ministry of Rural Development 2025).

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