

Acknowledgements

I must acknowledge the kindness of the Government of India in permitting me to go to the USA for higher studies. It now turns out that they made a mistake. I will now probably be penalised for this in terms of lower salary and lower pension than those colleagues who have not studied beyond their initial level at intake into the civil service. But that is part of the risk of being in the most bizarre bureaucracy in the world. I do not know when the ghost of the British will leave us.

I must particularly thank Dr. N.C.Saxena, IAS, the erstwhile Director of the Lal Bahadur Shastri National Academy of Administration, and Dr. V. K. Agnihotri, IAS, Joint Director of the Lal Bahadur Shastri National Academy of Administration, for supporting my quest for knowledge. They have themselves been avid searchers of the truth, and have not hesitated to write about the truth as they see it. In particular, Dr. Saxena's writings and studies on communal riots in India are gems to be treasured. I hope to follow in the footsteps of these illustrious civil servants.

I want to acknowledge the role played by many students and people from Pakistan and Bangladesh whom I have met while at the University of Southern California and elsewhere in the USA, in opening my eyes to the reality of our common brotherhood, and of our policy-related follies.

Academic learning has much to do with this process of discovery of the truth, and the role played by my professors at the University of Southern California has been critical in this endeavour. I must name a few whose work and dedication to the search of truth has left me bedazzled. Richard Easterlin, Jeffrey Nugent, John Elliott, Maurice Don Van Arsdol and Michael Magill, are some of the few whose lectures and work have strongly influenced me. There are many more researchers and thinkers, dead and alive, whose influence is clear and perceptible in my thought, to name a few: Voltaire, Nietzsche, Adam Smith, John Stuart Mill, James Madison, Alexis Tocqueville, Ralph Waldo Emerson, Bertrand Russell, Walt Whitman, Jean Paul Sartre, Andre Gide, Friedrich von Hayek, Ayn Rand, Milton Friedman, Julian Simon, Swami Vivekananda, M.K. Gandhi, Jagdish Bhagwati, Deepak Lal, and the young Subroto Roy, among others. A motley crowd indeed, but yielding sufficient insights into the basic human existence which can be used to build one's life's edifice upon. I am under a lifelong obligation, due to the debt I owe these people, to not only seek the truth, but to express it -- as I see it - without let or hindrance, fear or favour.

Active "local-level" discussion and debate has gone into the making of this book. This is but natural, with fine interaction with nine IAS officers studying for Ph.D. degrees at the USC [That is a huge number, by the way, about 10% of the average recruitment in a any given year. Indeed, many more are pursuing Ph.D.s elsewhere in the world.]. Some of the initial debating sessions were with C.V.S.K. Sarma, and I learnt much the observations of Atul Gupta. But there are many other Indians, outside the IAS - in the USA, Australia, and Hong Kong, as well as at home - who have participated in these discussions and exchange of ideas through the debate@indiapolicy.org e-mailing list, which was set up on the 8th of April, 1998, and later converted into the India Policy Institute (IPI). So, clearly, this manuscript has many influences. I am therefore not at all responsible for the bad ideas floating around in this manuscript. Only the good ideas are mine (!), and all the mistakes and erroneous conclusions are of my advisers, both living and dead.

My pretty wife Smita has been watching me with good-humoured amusement as I talk big, write big and discuss only *major* issues. These men folk! Can't manage the baby, have no self-control (can't give up smoking, drinking and over-eating) and talk of changing the world! She thinks it is my hobby to talk too much. She is right, too, as usual, but being a true democrat

as well as the benevolent monarch of the house, she lets me ply on with this hobby of debate with a suitable hands-off policy, begrudging, only modestly, the many hours that I have spent tinkering around with this material both through the IPI list and elsewhere. The carpal tunnel syndrome which I brought on to myself with the 16 hours of computer typing each day, from since end-1998, has cost me enormously in terms of an almost unbelievable physical pain, and I think very carefully about the consequences of such debate now.

[Hush! Promise me you can keep a secret, and I will tell you one! Actually, even Smita does not know this. (Whisper) I went to USA as a self-appointed Spy from the People of India. My job was to surreptitiously dig up the graves of the dead - and pry open the brains of the living (without letting them know) economists and thinkers and to find out what they said, and why, about success and making money. And to spy on the bus, road and the electricity system, the grocery stores, the banks, the Police, the schools, the tennis coaching system, etc., in the USA, to find out why these people are so blighted rich! This is a report on my spying activities of six years in Australia and USA. This book is my report to you, The People.]

When much of this book is about making money and success as measured through money, I cannot but acknowledge the scholarship and fellowship funds that my wife and I received from the World Bank and from the University of Southern California which helped sustain us through a very trying period of three and a half years at the university.

Dr. Sanjeev Sabhlok
13.4.2000
Shillong

Preface

This booklet began as a 'book' project directly 'penned' on the was started on the internet in 1997 during my sojourn at Los Angeles in USA where I had gone to pursue a Ph.D. in economics. The first few chapters, I now find, stand alone, as a direct summons to action and thought, a challenge to the status quo. The other chapters which I had thought initially would form part of this book, will now come out later, with much more academic content. This one is for *everyone* who cares about his 'poor' nation.

Money is the life-sustaining force on the Blue Planet. Without money in one's pocket one cannot feed oneself chilli lobster and hot *dosai*, purchase the essential two computers (actually, three), laser printer, cordless phone, VCR and TV, other basic gadgets like microwave oven, stereo system, the family car (actually, two cars are essential), access to a washing machine, air-conditioner, and centralised heating, nor buy the books needed to learn how the world works. This book is essentially about creating and hanging on to this life-sustaining force called money. It shows how money can be made (or foregone) - on the very large scale of trillions of dollars, by vast nations the size of India, Pakistan and Bangladesh.

Talking of the "few" possessions we had in USA, let me say this, one of us IAS 'students' in USA was able to go around *merely* in a brand-new Honda Accord and another was *forced* to use a brand-new Toyota Camry, purchased from money earned as a student in USA. I would have been happy with a just one brand-new Mercedes, but had to settle for a Honda Civic. You should go and look at the 'pitiable' condition of IAS 'students,' with families, in the country called America. These poor suckers are far better off than they were as senior IAS officials in India.

We were clearly among the poorest of the people in this nation, with a per-capita income in the household of less than \$5,000, compared with the US per capita of \$26,000. That hurts. The great IAS officers of India were forced to wash their own dishes, clean their house by themselves, baby sit their babies (can you believe that!), drive their own car, as well as work part-time in the University Computer centre and clean the computers, and even mop floors. But that is the 'sacrifice' one has to make to be able to spy on these *People-Who-Have-Money* and bring to you the secrets of their success.

As you might have already had premonitions, this 'sacrifice' is something most of one's (non-corrupt) colleagues in India would be quite jealous of: for each of us earned, and saved, as petty students in this country, *much* more the either of the Chief of Army Staff, or the Cabinet Secretary, or the Chief Justice of India. Also, each of us had a better quality of life (despite our washing our own dishes) - than any of these fellows in India.

That is why there is now an endless stream of IAS officers applying for admission to various universities in the USA and elsewhere. Once they earn and save a teeny-weeny dollar, each bill they take back to India multiplies into a huge number of rupees given that the rest of the IAS officers who are (fortunately, for us who studied abroad) left behind supporting our 'steel frame,' help them out by continuing to follow policies that lead, invariably and predictably, to the rapid devaluation of the Indian rupee. The rupee's fall is great news to us! (What pervertedness is this!)

And this was the last bastion. The IAS. All our best brains in India have always wanted to work abroad, except a few who decided to sacrifice the riches that would otherwise be their due, in favour of "serving the country." Almost without exception, for example, my *best* classmates from school are either abroad today, or in the IAS. Remember, therefore, joining the IAS was a true sacrifice. Each of these members of the IAS was potentially capable of earning an average annual package of at least \$80,000 (in today's dollars) over the course of their career anywhere else in the world but India.

But now, finally, even this bastion of nationalism is cracking up. The steel frame has been made hollow (We are the Hollow men: *tung tung! what is that hollow ring when you clunk my head with a hammer?*) as a result of our own choices and actions. Not because of our Genes or Fate, believe you me. And so this corroded frame, frayed and stinking, is falling off from its joints, like a leper's limbs fall apart when no care is taken to kill the germ. This germ which struck us was much worse than leprosy, of course, for leprosy is easily cured, even in India. It was worse than the plague, worse than AIDS. Two generations ago we were stricken by the Germ called Socialism. The full-blown outbreak of the Disease has (as expected) left us with vast festering open wounds and we, as a Nation, now stink. For miles you can smell an Indian. The begging bowl, the tattered shirt. The irresistible hydrophobic urge to die in the feeble arms of short, foreign-born saviours.

Honest IAS officers have been blown up, had their bones fractured by beatings given to them by Ministers, and punished on a day-to-day basis. The good ones are clubbed by the society along with the evil ones and the self-respect of these honest ones is at stake. Our entire sacrifice has been in vain. The Disease has overcome even some of the bravest ones. More and more IAS officers are finding it necessary to become corrupt - merely to survive. Others are likely to drop out of India completely, leaving the hollow shell of Mother India to the Socialists who have mastered the art of impoverishing Our Mother and kicking out our best brains.

Many IAS officers who have gone on leave to the USA to study are now, somehow, "hanging on" there. Some are working as consultants, others as teachers, and some are continuing to study further and yet further. I know of excellent - and very senior (and I mean *very*) - IAS officers whose primary goal in life now is to wangle a petty assignment in the lower bureaucracy or lower academic ranks of international or foreign institutions before they finally retire into financial oblivion. Methinks that it is perhaps for the best that at least some monkeys, who are not yet infected by the Disease of Socialism, leave this hideous nation that we have created.

As documented in advanced medical textbooks the typical behaviour among well-dressed bureaucrats and political leaders infected by Socialism is to find them sitting attentively behind large desks, bloodshot eyes popping out, awaiting the arrival of their prey. People are first of all sucked into their offices by the "honey" of a variety of "laws" and "regulations" designed to interfere in every activity of every person. Once the People arrive, we notice them being passed around from one table to the other, from one infected Socialist to another, where the infected "leaders" take turn in gorging on the Blood of the People while giving them sweet sedatives of "Garibi Hatao" to prevent them from complaining about why their leaders are so fat and rich while they, the People, continue to be poor. Finally we notice that the People fall, pale and bloodless, to the ground while the Socialists manage to build huge farm houses and mansions and stash away huge amounts of blood in Swiss accounts. Lastly, these textbooks observe with clinical precision: these infected leaders and bureaucrats are noticed to have fallen flat, drunk and swollen by the blood of People, into their velvety sofas and beds at the end of their successful day.

This book will document the true reasons for the escape of the best of our brains from the crumbling Isle of India. I only hope that I can pass on to you some of the pain and share with you some of the actual tears that are flowing down my cheek as I write this story of the Rape of Mother India. First the British Raped us. Non-stop. For a couple of hundred years. And then our own people: the Socialists. When will we have the money to clothe our Nation? Shall our Mother have to die naked - with festering sores on her sunken body, prematurely wrinkled skin, in the arms of a foreigner, in order for her Soul to be saved? Does the Body not count? Does living as equals to the best in the material world not count anymore?

This book is about cleansing myself from the Disease. It is about cleansing You from the Disease. It is about making you care for building your muscle, your brain and your power. About regenerating the lost tissues of your body and soul. It is about working hard, for the right things.

It is about Making Money to buy our Mother the best of clothes, the best of jewels, the best, shiniest and softest things that this world can Ever have to offer. It is about giving our personal mothers the best funeral in the world when they die. It about celebrating ourselves as Individuals and as a Nation.

Pardon me for grammatical/ language errors. While some effort has been put into the editing of the original draft, I could possibly have done a better job. Some other day, perhaps. At least one revision of this version is perhaps inevitable. But the basic message is the key here, not the cosmetics, and so it is offered 'as is where is.'

Chapter 1

The Importance of Making a Lot of Money (alias “Economic Development”) and Being the Big Gun in the World

Question

*Are you (Pakistani, Indian, Bangladeshi) 20 to 80 times inferior, genetically, to the American?*¹

This is a book about India, Pakistan and Bangladesh - three estranged brothers, united by many more things than a shared past. These brothers are united also by a common, persistent fetish. They both possess a common set of *self-created* and *self-destructive* habits such as feudalism, socialism, bad economic policy, bad political leaders and bad governance. Individual members of these three nations can clearly rank at or close to the top of the heap in the world in terms of sheer brain-power. But collectively, these three have managed to endanger their own future in a way that few nations of their size have ever attempted before. It is not a surprise therefore that these three nations, holding between themselves about a fourth of the world’s population, manage to eke out a very tiny fraction of the world’s income, and struggle for recognition in various international forums much as teenagers struggle for recognition, by their stronger peers.

But the problem of identity is a deeper one. I have never reconciled to the fact that I am not a “full” Indian. I have my roots in what is called Pakistan today. My parents and their parents, and so on, were born and lived there. That soil sustained them. Gave them their flesh and blood. And there are those who were borne by the soil of what is now called India, but have been forced to move to Pakistan. I do not believe that something that someone did fifty years ago is binding on me forever. Or on you. When I look at my Pakistani friends, I do not “see” a foreigner. I see a brother, I see a friend. I see a face exactly the same as mine, speaking the same language, enjoying the same food and same movies, looking back at me, equally puzzled as to why we are not of the same nation though we are of the same race.

When I see what has happened to West and East Germany and what is happening inexorably to North and South Korea, I am more confident about my future: I see myself belonging to one of the greatest nations of the world of tomorrow: The United Nation of India (or whatever else it might be called). **But when I actually think a bit more about it, I find that actually I don’t really care for such a nation (or for any nation for that matter) if it is poor.** If this United Nation of India cannot be the richest nation in the world, where the human mind can produce the best and outrageously creative output that can ever be conjured up, then I really don’t care for such a nation. Let these three nations fight then, and split up into a thousand bits. If poverty, squalor, misery, corruption and AIDS is all that these nations can produce, then let them produce it any way they like it. Who cares, really? Therefore if at all we want a United India, we want it to be the richest United India possible. Else, the entire discussion is a waste of time.

I want to see the reunion of these three giant brothers, but only if they want it. And that can only happen if they see themselves participating in the most powerful wealth building process unleashed in human history. Poor brethren

This book is a plain speaking book, meant to make the dream of a rich and mighty United India come true. I invite you to share in my dream and in my determination. I invite you to become rich and powerful, and a major force in the world. I assure you of one thing, though. This future will not come about unless *all* of us dream of this, think about it and work toward it.

¹ 20 times inferior when measured in purchasing power parity terms; 80 times inferior when measured in dollar terms

You - Pakistani, Indian or Bangladeshi - are reconciled to letting your “leaders” make decisions for you. You know that something is terribly wrong here. You know in your heart of hearts that this partition is unsustainable. You may even suspect the nature of the poverty-causing Disease that afflicts us, but you cannot articulate these things. You are actually *afraid* to articulate it, for risk of losing your job, for risk of not being able to feed your baby. Therefore I am articulating these things for you.

Because I really don’t care for the petty consequences that may strike me - a tiny particle in this vast, empty universe. In any case, I am too old now for any pretence to be meaningful to me. Thus, I must speak the truth as I see it and I *must* make my Nation rich and powerful. I really don’t care much for toiling all my life in the midst of heart-rending poverty and stupidity; in the midst of lecherous politicians squeezing out our blood; in the midst of the clouds of hot air generated by our economists and policy analysts who always hide from the “sensitive issues.” If we continue to be shy of discussing the crude and simple realities of the world, then we will be trampled over by the rest of the world, even more than we are being trampled over today. It is a do or die thing for me. And I hope to show you why it is a do or die thing for you, too, and for your future generations.

Money, money, money: Why is wealth so important?

Before going further, let me elaborate why I have titled this book the way I have. Why do I focus on money and power? Why this sense of urgency and forthrightness about making money and getting power? Why do I not write in a veiled language, such as things like “the economic development of South Asia”? This kind of veiled language, I feel, dilutes the entire focus of thought. It is wishy-washy, and detracts from the fact that money and power are intimately linked together and that the creation of wealth in the poorer nations cannot come about without a great struggle against the political power of the richer nations and more importantly, a Great Struggle against the entrenched socialist, reactionary and feudal forces within their own nations.

I also don’t like a euphemistic style of writing which is good in academic circles but which is unable to communicate the sense of urgency I feel about my Nation. I don’t care for doing small and silly things to “alleviate” poverty. I care for the much bigger question of *creation of wealth* and the question of *how to conquer the world*². Therefore this book, while dealing with urgent economic topics, is not a book about economic development. It is simply a book about making money and clawing one’s way back from the ditch one finds oneself in, to the position where these three nations, unitedly, can influence the world in much greater proportion than their size, much like the West does today.

Go rule the world, my friend, for you are born The true, benevolent King of the World.

I want to first of all get away from these pretences about money (“money is not everything; money does not give happiness”, and all that crap.)

[But wait a minute! You know what! - I’d better warn you before I go on. I will be using street language fairly freely in this book since the world is actually a major “street fight.” Language is not the key thing in this book. The key thing is the Will to Power. The key thing is my message. If you are of sensitive morals or prudish manner (much as I actually am), then please shut this book and go home. Take me to your home, too, where we can both forget the tragic reality of India.]

² Figuratively, of course! For we must shun any more wars and physical conquests.

I need only the brave, those who can rough out the truth, those who are willing to be 'street smart', as my sojourners in this treacherous journey to determine whether we are genetically inferior to the rich nations or whether there are some gangs of rascals and fools holding us back. The journey will take you across the sunken dark alleyways of political intrigue and socialistic corruption, across the skulduggery of the feudal lords and the beggary of our well-heeled diplomats, of dismembered bodies blown apart by frustrated youth who have turned to terrorism and despair. Too much have I seen in this long life of mine. And much it is that I think I have understood. I don't want all this to have been in vain. So don't expect me to be the "gentleman" that I am. I am desperate to pass on my message to you. Every second is important. Matters of style having thus been disposed of, let me proceed.

The first thing to note is that, given the same background, money matters, above everything else. As a student in Pakistan, India, or Bangladesh, you do not have the money to buy the latest books in the discipline because your rupee is all screwed up by years of suffering from The Disease. Your school and college libraries are parched for budgets and cannot buy new books and research journals; and so you cannot learn, no matter how hard you try. This amounts to - without their admitting it - your Socialist and Feudal leaders hiding the latest information from your view. You of course cannot invent the research work of thousands of top class scientists and researchers in the best institutions of the world whose work is published in the latest journals and books. And since you cannot buy these journals or books, you are effectively blinded. The Disease leads to blindness. Did you know that?

But you know - I hope - that Books are the ultimate source of wealth. Now, there is no way on earth that you can get a Voltaire to teach you. That blighter is a dead duck, rotting in his grave, sending out foul smells from his perpetual repose. But that decomposed fellow's mind still lives. His brain ticks. His books speak. They teach you and me. Books are the writings of the greatest teachers in the world. But if you have no money, you can't even get these dead teachers to speak. Did you know: the true secret of the USA's success lies in its libraries? There are so many libraries. On every street corner. And these libraries are so huge and so many millions of books are stored in them, that you can easily find more books on India in most of these libraries in the USA than you will ever find in the biggest libraries in India.

[*Shh! Secret Ghoulish Report For Your Eyes Only*: I have seen these people avidly suck brains from dead human heads for breakfast. Apart from the proteinous juices that they get this way, they get to know more than you and I. That really kicks them off into space! So much energy from these dead brains cells splattered in black ink on white pages: books. **Lesson**: Buy these dead guys' heads and suck their brains day and night. Spend all your money on books and you will never regret it. Trouble: you are unable to buy the latest foreign heads to suck; only cheaply available Indian heads. That will not do. You *must* suck all kinds of heads to get money and power. *Too bad your rupee can't buy anything worthwhile*. OK, folks, this ghoulish way of describing libraries is really too strong even for my stomach. I will be a good guy from now on. Signing off: *The Spy*]

Lack of money prevents good research, lack of money prevents the development of good technology. Lack of money prevents you from having good roads so that you are forced to waste a lot of your time commuting short distances in disproportionately huge amounts of time. Lack of money prevents you from building major networks of computers and providing computers to every student, and thus prevents you from learning at the cutting edge. Lack of money prevents you from travelling widely and therefore constricts your horizon. The Westerners know what India and Pakistan are like. They travel across the globe at the drop of a hat. We, unfortunately,

don't know what the West is like. The West is not Michael Jackson alone. Definitely not. Knowledge is the ultimate power, which comes from study and travel alone, and we are handicapped by lack of money in obtaining it. Lack of money prevents us from reaching our full potential as human beings.

Lack of money attracts useless charity givers and missionaries from all over the world, determined to save our souls (but actually - and rightly so - interested in saving their own), like fleas are attracted to a decaying and dirty body. Self respecting individuals do not take charity. But most of us have no self-respect, including in particular, many of our top ranking ministers and bureaucrats who beg from international agencies. Some of them are also bribe-takers from the lowly workers of multinational companies who have official budgets for the purpose of "bribing" these developing country beggars who rule us. I only care for those Indians who can either sell goods to the West or at least are capable of saving the souls of the West, like many of our Godmen go about doing. Let us swamp the world with our Swamis!

Money is also power in a more direct way. Those who have money have huge armies and thousands of nuclear weapons, and therefore exercise a dis-proportionately greater control over your destiny and mine. They even possess the might to almost wipe out other peoples and races, as almost happened to the American Indians and to the Australian Aborigines in the past few hundred years.³

Money is more important than we care to admit. Money is something to be ceaselessly acquired and retained by nations and individuals without shame. There is nothing like being "sufficiently rich." You want to smell of riches rather than stink of poverty and Diseased sores. You want to consume all the oil of the world rather than let others finish it up.⁴ You want to kill rather than get killed. And surely, you want to exterminate others rather than be exterminated. Do not be afraid of working in the proper manner for getting money for yourself and for your nation. Do not be afraid of *creating* untold riches through the power of your brain.

If a secret poll is taken of what people ask from God, money would be close to the top of the list. Let us admit that spiritual success is also enhanced by wealth. People who pay the priest a lot of money get a special hearing with God, or even with one's favourite Godman. If you are rich and famous, you can buy shinier, bigger and more beautiful residential accommodation for your God; also your God's words can be told to more people if you have money to print millions of books of your God's sayings and distribute them freely across the globe. If you really care for the welfare of the people, then you must also care for money, as do the Daughters of Charity, who manage a chain of hospitals in the USA with annual revenues greater than most companies in the subcontinent: Their revenue is \$6 billion, and they are quite ruthless in closing down loss-making hospitals. They are thus able to do the work of their God in a better way because they know that money matters.

And finally, if you are very rich and beautiful, your passage to the heavens is blessed with the flowers and tears of millions of people. Television screens light up with the sadness and tragedy we feel when a rich person (preferably beautiful) who always had silken clothes and velvet sofas, and plenty of food to waste on dogs, cats, and horses, dies in some accident. Not so if you are poor (and hence ugly and weak) and dying in the arms of one of the multitude of "saints" who descend upon heaps of muck. People may even cry for a bit when the saint has passed on, but the world has no time to cry over the poor and the meek. Though in reality it is the poor who suffer the *most* and whose lives are human tragedies of epic proportions, and hence worth crying about.

³ Some have claimed that wealth is actually created from this ability to destroy and exploit others. That is a questionable viewpoint. It might have been true in the very ancient days. But since the industrial revolution, technology and mental agility have to come first. Money is a bye-product of this spring.

⁴ O.K. Let both consume it, but at least, you must consume it in the same proportion.

If ever there was any human condition in the world worse than any other, it is poverty. Note that I am *not* singing in praise for the poor - or for the rich. I don't hate either of them, nor pity them. They - as much as I - are simple animals with the same set of dreams and desires that anyone can have. What I claim is that the poor could not become what they were meant to be, because of what we (collectively) gave them: an environment so poisonous for the human brain that perhaps even the most evil bacteria would not live in it. I am a doctor who claims that the poverty of South Asia is not genetic. It is a self-inflicted, man-made disease. A completely curable ailment that the People of India (and South Asia) have caused upon ourselves. Neither we nor our poor deserve any pity. Instead, we deserve contempt for letting poverty fester in our midst.

I will take you now through a set of issues and facts and figures and information that will end in the extermination of the poor. Not by exterminating the poor people, but by exterminating the poisonous environment which rots this magnificent human brain of Indians. We shall thusly, promote the extermination of poverty from the face of the earth since we have the privilege of owning most of the poverty on the Blue Planet.

But first of all, therefore, let us admit that money is **absolutely crucial** and let us now begin the study of the wealth and determine the nature of the Disease that afflicts us.

We are almost done for this first, introductory chapter. Brief, crisp and to the point.

Summarising:

- a) We have decided that we want to have money.
- b) We have decided that we shall not be afraid of creating a lot of money in order to have a lot of money.

But wait!

But note that we do not want to ask God nor the Americans or the Japanese, to give us ANY money or ANYTHING at all. Just like God cannot (or will not) give you good grades in an exam if you have not studied for it, so also you cannot make money if you do not build the right kind of thinking and the correct kind of muscle for it.

Therefore, it is time for me to distinguish amongst the varieties of readers of this book, at this stage itself, to determine whether you are capable of making money or not. I am going to ask you a few questions and I want your first and most honest answers:

1. Do you think that begging from anyone will make you money?
2. Do you think that we as a nation should get money from those who "exploited" us in the past or who are polluting the world's environment now?
3. If you live in a place like Assam, or some other backward state or province, do you believe that the richer states "owe" you something or that they are somehow responsible for you?
4. Do you think that your elected representative is obliged to give you a job anywhere or do you some other personal favour?
5. Do you think you should get your business going by bribing anyone for a license or a favour?

If your answer to any one of these questions was "Yes" then please shut this book and begone! Let us part company at once. I do not regard your analytical abilities highly and you surely think of me to be a judgmental fool. I do respect your right to hold on to your views though, and so you have the independence to go elsewhere to preach your views while I carry on with those readers who are willing to go deeper behind the "need to bribe" or "beg" that you feel. I too know that there exists such a strong need in our society but I want to kill this need altogether by eliminating all beggars and bribe takers from our system.

Remember, I don't need you. You need me. That is why you are going through this book. If you are Bill Gates you would toss all such books into a pile of rubbish since you don't need to be shown how to make money. I am doing you a favour by writing this book. You are not doing me any favour: you *cannot* do me a favour. I have been "favoured" enough. I have been pampered enough. Everywhere I go in India, I gain access to any person no matter how high or low. Even in the USA when I needed to meet the Consul of the Indian Embassy on one of his monthly visits to Los Angeles, I did not need to stand in lines like you. I get to break the line at once and a seat is pulled up for me. When I return to India and need to collect my unaccompanied baggage, I do not pay a bribe, like you have to (either directly, or indirectly through "agents") to the Customs inspector and his cronies. I go to the chief of the International Airport and I am escorted to my luggage and a "reasonable" fee is assessed on my baggage.

In the same vein, it was not part of my obligations as a civil servant to write anything for you to read. My only obligation was to scribble a few comments or append my tiny initials - on the millions of "confidential" files that come my way, each containing "cases" relating to **you**. My job was to "determine" your "fate," your license, the tax that you are liable to pay. Your immediate destiny was to wait in lines for an audience with me. I was your Deputy Commissioner and then your state government's Secretary. Pretty soon I would be your national government's Secretary and a decider of budgets of thousands of crores or rupees i.e. I don't need you. My life is 'made' within this system. No more comfortable job than this exists in India.

But now that I am writing this stuff for you to peruse, and opening up my brain to you, exposing my weaknesses to you, risking being misunderstood by you, I will not have any *fool* read this book. I reserve the right to choose my reader. I only want to give the privilege of reading further to those who are clear that

a) *No one* owes you a living. No one is obliged to care for your bones or flesh just because you happen to land up in this world. The value of a human life, *per se*, is zero, since the demand for human flesh is zero. Someone might pay you a bit for your hair if it is long and flowing, or for your blood if it is of a rare blood group, or even for your kidney or some other organ, but mostly, you and I are worth *nothing* as an animal species.

b) You are worth *exactly* what people will buy of you. If people buy what you produce, then you get paid for what it is valued. If people value your service, then you get paid for what your service is worth. In my understanding of the world, only a *legal, mutually beneficial trade* bestows money value of any kind on any human life. Some things might be philosophically valued more than money but even those have to be put in terms of money or of life, sooner or later. Even when you give away charity to a beggar, the money that you part with gives you a feeling of 'goodness,' greater in value than the value of the money you parted with.

This implies that - as animals - even Americans are worth exactly as much as are Indians - i.e., zero. I have eaten practically everything that moves in this country, such as cows, pigs, sheep, turkey, chicken, fish, lobster, fish, shrimp and even the non-moving scallops. But I have not yet seen expensive cold "American" salad offered for sale as lunch, and do not propose to consume any if ever available. Therefore an American Nobel Prize winning professor, or even Bill Gates, is worthless to the society as an animal. If these specimens are paid a vast amount of money that must be because they provide vastly superior services or produce vastly superior goods (provided to the society through *legal, mutually beneficial trade*). I think I found sufficient evidence of that in my day-to-day existence in USA to understand why an Indian -- at least in

India -- is practically worthless to the world, while the average American is paid huge amounts, despite both having no intrinsic value.

You've probably noticed by now a trace of "harshness" in my voice and might well ask why. But really, what do you want? Should I be very mild, proper and well-mannered while millions in India rot in self-created poverty? I know for sure that we are not 80 times inferior to the Americans to be able to earn 80 times less than the American. Since you and I are jointly responsible for creating, or at least sustaining this mess, we must jointly recognise the truth, swallow our pride, and get on to business. You and I need to tell people about the source of the problem and get the country back on the rails.

I often feel like tearing off my hair when I see this mess. I hereby withdraw my blessings, as a citizen of India, from the causes that have led to this mess. I will not participate in this rigmarole of kicking out our best brains and sucking our people's blood. I just don't have time to be propah (!) and all that. I might sound a bit harsh but that is like a father scolding a son to wake up and be about in the morning. I am urging you to not squander a minute more in considering the false polemic of those who make you illiterate, poor and wretched.

I also know that the solutions to our problems are much harsher than you or I might like. So also, I have to speak harshly, lest I gloss over the difficult times that many will face when such solutions are put into place. The solution could involve your losing your job if you are a secure worker anywhere. The solution might involve your working for many more hours a day than you already work. The solution might involve your learning a lot more than you thought you needed in order to survive in this world. If you are 40 years or older that might mean your returning to the University to study some more. Maybe attending evening or night classes.

Whatever be the case, there is no love lost between me and the fools or the lazy (both of whose overall money value as human animals tends to approximate zero in the limit). I am no lover of yours who has to pamper you. I am your self-appointed teacher. And my job is to teach so that at the end of this book, you will know *exactly* how to make yourself rich and thus to make India rich. This is a "hands-on" book on economic development and I promise that I will *actually* make you rich if you go through this book with an open mind.

As I said, I need an open mind, first. Like that of a child. So I will now devote a chapter to prying open your mind, if your mind is not sufficiently open to receive my ideas.

Chapter 2

The Ultimate Source of all Wealth and Power: Your Head and the Ideas You Think

*The source of all wealth: the “free to think” human head;
Not the frail limbs of man.*

Man has always had very frail limbs. Very little protective coating unlike most other animals. We do not have a skin like a rhinoceros nor quills like a porcupine. We cannot jump far, we cannot run fast. We cannot climb trees and bound across branches with agility. We cannot swim well. Today, man tends to be so obese in many societies that man cannot even walk a short distance with comfort.

On the other hand, even in pre-historic times, man did reasonably well by developing basic tools, and attacking other animals in groups, domesticating animals, and doing many other such innovative things. This diverse output was generated by man’s lateral thinking and processing power, rooted in the brain, and not in the limbs. Man survived the terrors of the jungle and the constant fear of attack from unknown creatures of the night only because this creature called *Homo sapiens* began thinking of cause and effect, and exploring his world with his perception and his mind.

But despite this modest progress over millennia, man’s genes could not quite prosper the way we are accustomed to today. Human population remained stagnant for hundreds of thousands of years. Though the human brain was reasonably well developed at that time, something was missing.

It is the same when we consider the Indian farmer who struggles in the hot sun to finally earn a slice of onion with his flour, and compare his plight with the success of the American corporate leader who generates so much wealth that even if he were to buy all the food produced by thousands of farmers in India, he would have spare wealth to purchase personal jets, helicopters, luxury cars and palatial houses. The brain size and quality of these two animals is the same. But clearly there is something very crucial which is not happening to the poor Indian farmer’s brain. The human brain is like a key, solving all types of problems. But if it is (a) used like a spoon or a hammer, or (b) allowed to rust, then obviously it becomes worthless.

Thus, the only crucial difference is in their **way of thinking** and the environment in which they operate in. The human brain needs something special to grow. An environment which nurtures curiosity and error allows ideas to be developed and explored. That something was provided to the human brain - particularly the Western brain - only in the past 2,500 years, particularly in the past 225 years. Before that, man was chained by his own fear of authority of “senior” human animals. Either a tribal king would subdue dissent (unfortunately, it is dissent which is the starting point of all new exploration) or a religious ojha would prevent the investigation of disease. The human brain of yore was exactly similar in biological shape and size to the present man’s brain. But the fire of that brain was as if dampened within many layers of blankets of authority. Fear (based on very good reasons) dominated man’s existence, and unfortunately, to a very large extent, continues to dominate our existence even today, particularly in the feudal society we possess in India.

Over and above the fear of Nature and of the Unknown, we are fearful - perhaps even more than we are afraid of Nature - of uniformed men, of gangs in the streets, of the Kings and Presidents and Prime Ministers we have created, and of our own “bosses” and “supervisors” in our daily life. Ideally we would like to avoid giving authority to anyone. But we are bound - virtually imprisoned - within deep layers of authority from the moment we are born, until we die.

Most of these fears arise from fact that others exercise judgement over us which can then lead to economic loss or even physical pain. Nature sends Her wrath on us once in a while; but other human beings are like a perennial cloud blocking the view of sunshine - of our innate freedom.

The key to gaining wealth and power is to minimise human authority over oneself, a task which is not quite difficult as it seems. So now I declare that

You are the bestower of ALL authority.

I don't know if you have ever examined the immense power you hold over authority figures. Each of us **bestows** authority on the "authority-figures" each day through our actions. By swearing "Heil Hitler!" I create Hitler. Else he is just another funny-faced clown in green clothes. By assassinating him, I finish off the brute. But by not assassinating him, I connive in the extermination of millions of Jews and cause millions of other deaths throughout the world.

I have all kinds of power: the power to speak the truth, the power to flee to safety, and the power to assassinate (as well as its obverse, the power to suicide). I (and you) are all born with these fundamental authorities over other human animals. That is why you find authority figures so worried all the time about their security, and often desirous of clamping down on the spread of truth. Indeed authority figures are afraid of only *one* thing: of the People finding out their deep, and usually dark, secrets.

This truth is worth repeating: No other human being is *anything* more than an animal. If it appears to us that a particular human being is more well dressed and more powerful than a mere animal, that is an illusion *we* have created *for ourselves*. All human beings are made of flesh and blood and hence are killable, like any other animal is. Assassinating another human animal disposes off all power that animal might have possessed. That is the reason for the popularity of assassination in our history books. Today, assassinating a persons' character is considered more polite, thus leaving an empty shell of a human being behind, after seeking out the life-blood of self-respect.

In other words, I as a citizen possess complete power over any figure of authority. By calling one such animal, "Sir," I enable him to be my boss. If I were not to do so, he would just be any other human being. Consider how I could use my power to divest him of his existence as my boss. If I were to find that he is doing things against the public interest, I could expose his misdeeds and let the Public decide his fate. I would have then used the power of speaking the truth to eliminate an undesirable authority. In fact, that is actually the MOST potent power of all.

However, for most "bosses" I am quite willing to ignore their minor excesses since I know that those excesses are too minor to affect the world in a serious manner. Second, it is very critical for me to determine whether by "dethroning" an evil Boss, I will ensure that such evil Bosses do not emerge again. In other words, I must determine whether such bosses are genetically produced or produced by the environment.

For example, in India, most of my political bosses and many administrative bosses have been directly corrupt or indirectly so. I do not believe that *homo sapiens indica* is a genetically deformed species prone to corruption from birth. If such is the case, then the evil Boss must be a product of the "system" and I must therefore change the system. There is little point in getting rid of single individuals. Once the entire system is changed, and thus cleansed, my father will not be asked by one Chief Minister to fund him from a government sector undertaking, nor will another Chief Minister - in another part of India - ask me to select a contractor who is not the lowest bidder for a major purchase. Evil men will then simply disappear. So that is the task before us.

Everything that existed in the past existed without my permission. I can do nothing about it. But anything that desires to exist while I am alive *must* get my permission to exist from *this moment* onward. If I do not permit it to exist, it will die. That is my power. That is Our Power.

By not speaking out against feudalism, casteism and all other stupidities and misuse of power, I connive in its misuse. I am thus responsible for all the evils of the world. The only way I can get out of this responsibility is to resist - with a simple smile on my face - whatever I decide for myself is Evil. You and I have to do this. If you will not - since you say that you are scared of the consequences - then I will do it for you. Full stop. I am scared too, but I know the truth about the power of the mind. So I will help you out of the situation.

By first denying and then violating the authority of another human being over me, I create my own authority. By refusing to take my culture or social attitudes as given, I explore my own ideas, and realise, *ab initio*, which of these I believe in and which I don't. I take greater risk than the person who is mired - by his own mind - in a realm of apparently "given" structure, which was in reality, not given to him but created and allowed to exist by his timid acceptance of it.

To me, neither the structure of India nor of the Indian Constitution nor even of the world, is a given - to be accepted like a sheep. I am a CITIZEN OF THE BLUE PLANET, a creature not created by anyone else but my own parents, in a chain originating in the creation of matter by ethereal incidents. No bounds confine me. No nation owns me. No nation or religion gets my allegiance by default. Anyone who is in authority anywhere has to earn his position by persuading me why I must listen to him, or her.

And so whatever confines I accept are ultimately accepted out of choice. I actually *choose* to accept many confines. I remain a serious, thinking, hard-working officer of the Indian Administrative Service (a completely self-chosen confinement, once again). I am not a rebel nor will I tolerate rebellion against India.

I have chosen to be bound by the orders of my ministers, but I must have - even if some one has not written it down for me - the discretion to distinguish where official secrets end and where personal secrets begin. When a Chief Minister asks me to favour a *particular* contractor for a major cement contract, I must use my discretion which is innate in me, since I am a human being and not a sheep, to bestow on that request the status of a Personal Secret. I am not bound to hold on to your Personal secrets, if these secrets tend to defile my nation in which I choose to spawn my seed. You are a slimy frog of the gutter and will have to be treated as such. Upholding Official Secrets is my duty. I chose to abide by these secrets. Upholding Personal Secrets is not my responsibility. I chose when and where to make the distinction.

Remember, a Hitler has to be assassinated. Exterminated. Evil must go. You cannot say, "Goodbye Hitler, I must leave you now to your self-chosen task of burning alive human beings and children," and escape from Germany. You have to finish him off. I hold everyone responsible, who lived when Hitler was rising and did not assassinate Hitler, for the guilt of the death of millions of people.

Similarly, I hold myself responsible for not telling the people about incidents of an enormously Evil nature that have taken place in my life. It was my job to finish off this Chief Minister. To show his blackness to the people. If necessary, to assassinate him. But no, wait. As I said above, I think that I can get rid of the fundamental problem itself: by ensuring that we never have such Chief Ministers. To that task this book is dedicated.

Unfortunately, I was not so clear about my power, earlier. I am, now. I did not expose many rascals in time. But on retrospect that would have been a complete waste of my time and energy. I did send many small rascals to jail. I suspended petty officials found sucking the People's blood. But the best way is to create systems that prevent this tendency. I want you to clearly understand one fundamental thing. If we allow corruption to go around us, we are squarely responsible.

I am now going to create that system for India which will eliminate these tendencies in our rulers. Through the many years of experience of being in the employment of government, through studying thousands of books, through travelling and living in villages and many foreign

lands, and above all, through simple analytical thinking, I have confirmed the existence of the Germ which sprouts many thousands of rascals on a daily basis. That germ is called Socialism. With this fully determined, I will set about, in my usual super-efficient manner, exterminating Socialisms of all kind.

I cannot tell my children on my death bed, "I am sorry Sukrit and Prateeti. I was bound by some stupid sub-section of the Conduct Rules of the all-India Civil Services (which were in any case designed by the British to breed teeming generations of loyal, unthinking, clerks). Therefore I had no choice but to hide behind my positions of power and to let big cockroaches and rodents infest our public life." I don't tell lies to my children. I would be a coward if I were not to get rid of these cockroaches during my lifetime, so that they have a clean country to live in. I will not kill these cockroaches, however. I will apply a poisonous gel on their colonies so that they are made incapable of evil.

The release from authority

As I showed you clearly above, Man is everywhere confined and bound by self-created chains. The main breakthroughs in human history have always come about as we release these chains.

i) The first great idea: 2,500 years ago, came the first truly great *idea*, from Socrates. Socrates virtually single handedly freed the human mind from domination by its social environment. He asked for proof of everything that people took as granted. Obviously he created a good number of enemies. But now those stupid enemies are long dead, while Socrates lives on - forever. "His method would be to start with whatever seemed the most satisfactory "hypothesis," or postulate, about a given subject and then consider the consequences that follow from it. So far as these consequences proved to be true and consistent, the "hypothesis" might be regarded as
(Encyclopaedia Britannica).

This kind of thinking caused a chain reaction down the centuries. Instead of attributing bad weather or bad health to gods, or to a curse from a local "magician," man started asking questions. And observing things.

ii) The second great idea: The next truly great idea came from Martin Luther in the 16th century. He questioned the authority of religious leaders in deciding what a particular religion stands for. He elevated, in a rather indirect way, the status of the Mind of the common man. That the common man has an innate ability to decide on issues relating to God was an idea which is still shaking the earth. He started off the chain reaction that led to the separation of the authority of the church and the state. The Renaissance - which was characterised by the generation of many new ideas - can be directly attributed to Luther's unshackling of the spirit of the Mr. Common Man.

iii) The third great idea: The third great idea (it was after a lot of personal debate that I approved this to be a truly great idea) arose from Adam Smith. His showed how a policy of attempting to dominate other nations by giving the government great powers to regulate trade and the economy, would fail. He showed how competition through the invisible hand is the fundamental way for the creation of wealth for nations.

iv) The fourth idea: I have no doubt about the greatness of this fourth idea. The fourth major idea that the human mind has created, was by observation. The purest of the scientific methods showed Charles Darwin that the human species was an animal. That this species evolved from other lower forms of animal. Today, we know that the genes of a chimpanzee and a man resemble each other to an extent of 99% . The key idea that he found was that evolution of these animal

species takes place through competition over time, based on a basket of random mutations. The best mutation takes a species further into progress than any alternative method.

The following statements are the consequence of these four basic ideas:

1. Man is an animal.
2. Competition between animals (including *homo sapiens*) is natural. Anything that curbs competition is harmful to the survival of the species in the long run.
3. Man has outsmarted other animals to reach such high levels of reproductive potential through the *use* of his brain.
4. Man is able to decide upon ideas such as the existence and role of God on his own, *guided*, perhaps by religious scholars.
5. Man can find out the truth about the physical world through his own mind, by following a scientific attitude.
6. Competition between human beings and nations is the most efficient method of creation of prosperity.

The brain and correct ideas as the fountains of wealth

I wish you to spend a moment to think about this “path of causality:”

BRAIN → IDEAS (and analysis) → ACTION BY THE LIMBS → WEALTH

You cannot choose the genetic quality of the brain you are born with. However, the brain is surrounded by an environment. That environment is comprised of two parts: external and internal. The **external** environment is made up of things like books, physical resources etc. The **internal** comprises of experiences, personal attitudes and the tint of the glasses you wear within your head. If you look at the world from an attitude of a “protector of the faith” then you will possibly perceive the simple action of an outside person eating something as signifying aggression against you. The more purely objective or transparent your internal spectacles become, the better you can allow the world’s purest ideas to filter into your brain. The Scientific Attitude is the ultimate transparent lens that you can wear within your head.

And while you cannot choose your genetic capability, you can choose, to some extent, both the books you read and the experiences you go through in life. The greater the truths that you can absorb through your readings and experience, the faster your brain can come to represent a “mountain of truth”. An effective and well-formed brain represents the essence - as seen by that particular brain - of the entire ideas and truths of mankind both living and dead. It is that kind of a brain that generates innovation and leads to the creation of wealth.

Right now I perceive myself standing comfortably on top of such a mountain and I am ready to generate immense wealth: for You and thus also, for myself. All around me I see men and women doing various things - some of which get them happiness and wealth; others which get them misery and poverty. I have spoken with many men, mostly dead; some living. I think I see the critical pivots and the axles of this machine called the human being. I think I see that Indians are focusing excessively on the colour of the chassis. I will shift the emphasis to the engine.

Go back to the “path of causality” described above. This, essentially, is the formula for wealth. The real difference between us and the human animals of 5000 years ago is in the permission we give our brain to absorb knowledge. If we close our brain down, saying that this or that cannot be discussed because so-and-so said so, then we have cut our brain’s potential and our wealth generating potential by half or more. By *allowing* our mind to analyse all kinds of ideas, we *permit* our brain to think and thus to create successful ideas. The moment we *release* our

brains from the blankets of authority, entire nations can become rich and powerful. Clearly we have not yet freed the Indian mind. That is the most important job needing to be done, today.

Ideas thus count for **much** more than action. You and I choose our lives on the basis of some ideas imparted to us by our environment. Those who spend their lives terrorising others (such as the misguided youth in Assam, the ULFA who have read a lot of pamphlets on scientific socialism and Che Guevera), have chosen this erroneous and socially harmful way of life because of bad ideas. Nehru took his bad ideas from Professor Laski. That one professor has cost us trillions of dollars, just like that fellow called Marx cost the world millions of lives in internal violence inside many nations (such as the massacres by Stalin), and trillions of dollars of lost wealth for mankind.

I can only hope that the ideas in this book secure for Pakistan, India and Bangladesh eternal peace amongst themselves and within their nations, complete stoppage of bloodshed on parochial and communal grounds, and yield trillions and trillions of dollars in economic spin-offs. Only then would it have been worthwhile trying to write such a book.

Therefore, I might believe in a lot of hard work and spend my whole life working without a wink of sleep, but if the *Principal idea* for which I am working is false, then I can only hope for failure in the end. Hard work or action is not enough - as I found out myself when I spent ten golden years of my youth working like a donkey within the existing system in India. Without intending to boast, I assure you that you will really find very few maniacal workers like me. I have always worked from early morning to late at night. I have always cleared all my files and papers. I have always listened to what the people wanted and tried to give them that, in the most efficient way. I have been a mad man, trying with my bare hands to make the system more efficient, more corruption free. But, as I look back and see all that work, I know; I must admit: that I have, truly speaking, nothing to show for the work I did.

(Yes, there were cosmetic changes. One corrupt officer was put in jail for 14 days for taking money to give a subsidy to a villager. An officer was caught who connived with a big black marketeer of subsidised foodstuff. An assistant caught taking money from a poor man for issuing a copy of his land revenue records. A few computers introduced despite resistance from many senior officers. A paragraph on privatisation introduced in the State Planning Board meeting of Assam after an intense period of internal lobbying. But nothing much happened to India. The corrupt managed to get released and go scot free and went on with their bribe-taking. The privatisation of a few industries that was ultimately done in Assam was completely different from what I had envisaged. And a lot of money changed hands in these underhand privatisations, I gather.)

India is today like a country bombed by high level artillery from within. Everything lies shattered all around. Even literally. Bombs have blasted off the schools and health centres and bridges in Assam. I have escaped an attempt on my life as a Deputy Commissioner despite all the goodwill I had generated with villagers. And we continue to shatter India on a daily basis, with our policies. I am sorry folks, but my hard work and honesty as a senior IAS officer of your government is not going to save you. That is why I want to tell you clearly: that correct *ideas* are far, far, more important than correct *action*. Even being honest is much less important than that.

When I was young I was continually misguided by the socialistic writings in our press, praising the nationalisation of private banks, praising our mixed economy, and passing the blame of our failures onto the “corrupt” and lazy leaders and bureaucrats. It was easy to get hold of communist literature. The Communist Party of India was well funded by the USSR and would distribute a huge amount of literature freely to college students. The Mir Publishers would hold book fairs and palm off communist literature at throw away prices to poor students like all of us

were. Some of my best friends and present colleagues in the Civil Service became strongly influenced by such literature while they were in college. I too read this literature and some of it must have brushed off on me since till a few years ago I sincerely thought that I could make a lot of contributions within the existing Indian system.

But these were *wrong* ideas, and there was very little material available to students which told them what was *really* wrong and why we were really poor, and why we were unable to shake away the chains that had bound us in poverty for over 200 years, now that we were supposedly “free.” What happened is that there was nobody who told the truth - the complete truth - about ourselves and our problems and of the way the world works.⁵ Even today, people mostly try to write “polite” and “nice” books, avoiding discussion of the complete package of truths. Anyhow, all that is past and gone. I am now doing this unfinished job of liberating the Indian mind.

This material is meant for the Young at Heart. If you do not have a spring in your stride, determination in your eyes, self-confidence in your abilities and optimism for the future, then it is time for you to shut this book and go away. I am really, really, very tired of meeting people like you. I only want you to accompany me further if you promise to get rid of your cynicism about me, about my tall claims and about what you and I are jointly going to do to India. I want to remake India the way I see it. I see India as rich and prosperous, and powerful and happy and wise. Do you see that? If you don’t then please let us part company. Why do I see all this so clearly? Because human beings cannot perform in a system which does not respect two basic things: the “free” human head, and greed.

The human head or the brain is worth more than anything else. But without the possibility of gaining personally from that head, i.e., without providing for at least a fair amount of human greed, we will be unable to get the best results out of that head. If I am a Bill Gates but I am treated on par with someone who is otherwise as “smart” as me in maths, but who knows not how to think for himself, and I am not allowed to grab a disproportionate share of wealth out of the ideas I generate, then I will not care to produce wealth. Period. And the world will be much poorer for that. Because being “smart” is not enough. I respect only the very greedy, very smart and very innovative brains. I don’t care for millions of “educated” people, who have simply passed their courses and obtained diplomas or degrees. I want those who can think ANEW, AND INDEPENDENTLY. I want those who can challenge Einstein and Darwin, and create the fastest rocket or the smartest robot. As a human animal, *first of all, I want us to care for our greed (I want this and I want that).* Then I would care for my children (my seed, my genes). Finally, if my country takes care of me, then I would care for my country. If my country lands up in the hands of goons, then I leave the country. Millions fled Hitler’s Germany, East Europe and the Soviet Union. Thousands are always trying to get out of North Korea and Cuba. Are they all useless fellows? Should they have stayed behind and starved or got killed?

So, do not waste my time by telling me to care for my country first. A country is an artificial concept. My stomach, my greed, and my children are real. Based on flesh and blood and sweat and toil. Therefore I *will* care for my country. But first I want a country which I can care for.

If, after working like a donkey (as described above), and being two IAS officers in the family, I cannot afford to buy all the books I want to read, or subscribe to the journals and magazines I want, I cannot buy a car of my own except on a loan from government (why does government come into such things like giving loans for cars?), and I managed to save, at the end of 12 years of service, that much amount which I was later able to save as a petty student in Australia in 1

⁵ It turns out that there were a few like Milton Friedman, B.R.Shenoy, Jagdish Bhagawati, T.N. Srinivasan, and much later, Subroto Roy, who did speak the truth, but the circulation of this information was limited. Read their work at the India Policy Institute publications page.

year, then why do I care for this India? Am I your slave that I will run your country for you as your Secretary to the Government, give my best output from my powerful brain and superior organisational capacity, in return of a package comprising a few peanuts and a lot of kicking around by some rascals elected by you as my “leaders” and “bosses,” when I can be a student elsewhere and give better books and a better life to my progeny? You don’t care for my brain and my capacity. So why do I care for you? Why do I care for my “country”? You neither respect my brain, nor my creativity, nor my greed. You need to change that in order to get Indian brains to work for India and not for some foreigner.

When you are looking at the human animal, do not create delusions and illusions for yourself.

You will land up in a mess if you do so. All human beings love more of a good thing than less. You of course have to decide what is a good thing, for yourself. For Gandhiji, more goat’s milk was a good thing. For Mother Teresa, more nuns around here were a good thing. For most of us, more money, more goods, more consumption, more leisure, are good things. If you want more (and ever more), then admit that you are GREEDY. If you therefore design a system which does not allow the more competent people to make more money, then you will effectively knock them out of your nation. That is what has happened to India, and will happen in an even bigger scale soon. Unless you and I change the whole damn thing.

To repeat, to create wealth you need two things: (a) a human brain that can think straight, independently, and creatively, and (b) the opportunity for that brain to grab a disproportionate share of the wealth so created. Of course we will need a few other things too. But fundamentally, these two stand alone as the pillars of the Gate to Wealth.

As the first corollary, we have to stop this great love of “labour” and start respecting the “brain.” Labour is only a tool. The creator of wealth, the biological organ that uses the tool, is the brain. You might not be alive today - nor even born, had man not mastered the jungle and disease. Even if you were alive, you would be in a jungle, being bitten to death by insects, snakes and eaten by animals. Your only claim to being a special creature called Man is when you use your Brain. Else, you are a mere *homo sapiens*, mere flesh and bone, a mere animal that comes and goes like cattle come and go.

Pay to buy the best brain, and you will get the best results. Singapore knows how to do that. So does the West. Singapore pays tens of thousands of dollars to its top bureaucrats and close to a million dollar to its Ministers. And the US allows chief executive officers to be paid any amount, in millions of dollars a year, that the shareholders think best, to pay for the services of the brain of the CEO. Very rarely has there been occasion in any of these places to regret paying so heavily for the brain of these human beings.

The key difference, as already pointed out, between good brains and bad is not in their physical size, nor in the knowledge they possess, nor even in their so-called “capacity,” but in the ability of the good brain to explore all ideas, to expand the reach of human thinking, to be independent. So think not that I am being arrogant and claiming that I have a special brain. No, not in the least. I am only special by virtue of being able to think independently, “cleanly” and being able to “slice” through reality. I have stolen all my ideas. I have nothing “original” to offer. But my way of offering it is original. I am being unbelievably immodest and rough for an Indian.

But just as I believe in myself and in India, so also I want to make you believe in yourself and to kindle in you the most immodest dream dreamt by an Indian so far: to overcome the USA in terms of sheer wealth and power and innovation. I want to conquer the world. Period. Nothing less than that will satisfy me (and I hope you will not settle for less than that either). But I (and you) will conquer the world not by guns (though we shall have the best guns), but by our ability to produce and sell the best goods in the world. I will create - by my sheer ability to burn away the blankets of confusion you wear around your brains - the best brains in the world. And since

we outnumber almost every other nation in the world (and we surely will, if we merge, as we must), then there is nothing stopping us - this unstoppable force of millions of super-inventive and super-entrepreneurial brains, from taking over the world as its rightful leader - in everything, be it material or spiritual.

Thus, I do not care to have any “labour” in India. We need *only* brain workers. Everybody: our farmers, our potters and our Godmen, have to be brain workers, operating in their fields with computers and the best that technology can create (and we will create the best technology), using e-mail and newsgroups and bulletin boards to find out and share knowledge. I don't want to see a single Indian beggar nor an Indian who wants to unionise as a labourer. We will have no labourers. Nobody who will only use his hands. No digger of roads, no sweeper of latrines. Only entrepreneurs and smart workers. Smart workers who will own shares in their factories and work for the improvement of every process. Smart workers who will be rewarded for using their brains much more than will be rewarded for using their limbs. We will, each of us, be independent, powerful thinkers and creators of science, technology, new ideas, new products, and infinite wealth. And we will send out “missionaries” to save the poor of the rest of the world, by showing them the path to riches, and *we* will save their souls.

As you can by now see, this is a book about finding the *correct* ideas, and not merely working hard like a donkey. I do not find it satisfying to offer second-rate success where you struggle in this world only to make it up in some later world. Therefore I will not spend my life being religious Guru. Remember, just as we choose which system or culture we abide by, so also we choose our vocation. I *could* have chosen to be your GodMan. Instead, I have chosen to make India rich. Not by saving its beggars from dying like flies in the streets of Calcutta, nor by “magically” offering golden watches to my devotees while I let the rest of India rot. None of these would solve India's problems. Instead, I have chosen to be your philosopher, your bureaucrat, your political economist, and your dreamer.

I wanted to give a lot of examples about why ideas are so very powerful. About why ideas are beyond life and death. And why ideas are a matter of life and death itself. But there is no time for so many examples. Just one will have to do: a very poignant example which hurt me to the core when I read it, for I know what it is to have a baby who is sick.

“An 11-month old child began having frequent watery stools and occasional vomiting ... The next day the child was brought to the clinic and given sugar water with salt. (Later) the child was taken to a traditional medical practitioner, who concluded that the infant's condition resulted from the mother's breast feeding the child after she had seen a woman who had a miscarriage. He said some chants, did a thread-tying procedure, and recommended that the baby remain at home. The child continued to vomit and pass watery stools. (Five days later) the baby became very restless, hitting his head against the floor and grinding his teeth. At about 8:00 p.m., the mother found him dead.” (extract from Betsy Lozhoff et al., “Infection and Disease in South Indian Families: Beliefs *Human Organization* 34 (1975: 353-358.)

Clearly, the mother had wrong ideas. The mother's brain was otherwise good (living, supplied with blood and oxygen). But the brain was wearing blankets of authority: and had clearly no idea about how to explore the world independently. There was not an iota of scientific attitude in that young mother. That mother was bred and brought up on False ideas. Even if she was literate (and that is quite possible), she was ignorant in a vital, heart-rendering way. We are responsible for educating all such mothers today and tomorrow. Every baby, every embryo of an Indian is precious to me. I don't care about this talk of high population in India or this nonsense about our illiteracy.

a) Illiteracy has very little to do with foolish ideas. Most of our Ph.D.s spout foolish ideas when probed in some detail. Most of our professors preach rubbish and are unable to prevent the demolition of a Babri Masjid or the existence of such mothers as the one above. We need social reform first. We need Raja Ram Mohan Roys in every nook and corner of India. Literacy is important only if it makes people scientific. If literacy is not coupled with critical thinking, nothing will help.

b) Second, high population has nothing to do with this. Stupid Indian mothers exist everywhere, even in pockets of low population. High populations such as Japan have the lowest mortality among infants in the world. No, attributing false causes to the reality is not the way to go about analysing situations. Elsewhere, given some space, I will show how wrong is the idea which relates population size with poverty.

Therefore, we will teach our mothers so that our babies do not die. We will eradicate False ideas. We will limit ourselves only to Correct ideas. I hold myself and also you - the reader who has reached thus far - responsible for any death of this type in India. The mind that is sitting on top of a mountain of truth must reach out to those who are cowering inside dark tunnels of confusion and ignorance. If you have come this far in the journey with me, you realise that the mountain of truth is very beautiful. It leads to clear thinking. You pierce right through people's self interests, people's ignorance and people's evil intentions.

Anything that cannot be proved to be true in a way that can be duplicated, under strictly controlled conditions, by others, elsewhere in the world, is False. Nothing False ever led to anything good. We have got to abolish it.

A simple typology of ideas

I don't want to dwell much longer on this topic now. Most of the sensible things I had to say have been said. But before I move on to the next halt in our journey, I will show you a simple "classification" of ideas.

1. Type I: Ideas which are essentially correct. Some such ideas can be only partly correct, and may need refining, such as Newton's laws which were refined by Einstein. But Newton was basically correct. Other ideas might have only been partially explored and may result in very powerful results in the future. That is why science is continually yielding more and more secrets of the universe. It is one's job as a student of truth to quickly recognise as many of these Type I ideas. The more Type I ideas one knows and the better one knows them, the greater the wealth and power that can be generated.

2. Type II: Ideas which are essentially false. These include things like the earth being flat, that communism is feasible, or that the Aryan or any other race of men (such as white, black, green or yellow) is superior to others. It is one's job to quickly identify ideas of this category and to place them in the mental trash can meant for these ideas. Do not forget to flush out this trash every now and then by repeating in your mind the arguments about why that idea was wrong.

3. Type III: Ideas which can never be proved to be right or wrong. The typical example of this is the existence of God. Even if we go far into the past, we get stuck with something always, behind which is an impenetrable vacuum. Before the Big Bang, what was there, and who created all that energy which drives the world? Is there only one universe or multiple universes? These ideas can only be answered through beliefs. In this book, I assume the existence of God without loss of generality (though personally I am neither a Hindu, Muslim, Christian, Sikh or anything else). As

Voltaire said, simply, that if God did not exist, we would need to create one. Life is so difficult and trying at times that it is good to have a God holding one's hand. But at the moment I am interested in extracting from religion a deep, Type I truth.

I have studied a lot of religions. The essential lesson I draw from everyone's beliefs about God is that *God created every human being equal in a very basic, essential way*, and that therefore the divergences and discrepancies between human beings that are observed, particularly across nations, are essentially **man-made**. Now that is a really powerful lesson, that can stand as the foundation of our search for wealth and power.

I mean, I have not yet been shown any telegram or e-mail sent by God that he or she has blessed a certain group of human beings with the major part of the wealth created by the world in return for the extra hours of prayer that these people put in everyday, or for other good deeds done by them. To the contrary, it appears to me that the American people perhaps do not even put in one tenth of the hours in prayer that most people in India put in. In addition, of course, they are intense thinkers, going straight to the point, seeking out the secrets of the Gods, and completely upsetting the Blue Planet itself. So clearly God must hate them for being bad boys and *could not* have given them these special powers and wealth. The Americans must somehow have earned their wealth on their own.

So do we agree or not: God made all of us equal? This must be one of the most important of the Type I ideas.

One must mention here that each generation has its own limitations, set by its past. Had I been born two centuries ago, the ideas of Type I needing mass propagation would have been quite different. Perhaps I would have written against monarchy, or against sati, or thugee. I would have had major misconceptions about capitalism and would have believed, perhaps, in the magnanimity of the top civil servants who would have been my "mai-baap." I don't know. All I know is that after a hundred years, the ideas which will need to be mass propagated would be different. We would have understood some more about Type I and Type II ideas. More ideas would have in the meanwhile transfer from Type I to Type II. That is how the world progresses: by trashing its bad ideas. In the current situation, it will be very surprising for some people in the West to think that a book like this can be even contemplated. They have trashed many more ideas than we have. It sounds surprising to them that we have so much faith in our bureaucracy and our mixed economy. Well, never mind. Each place and generation has its limitations, and let us proceed to trash our own bad ideas.

Chapter 3

Comparing Capitalism and Socialism: Finding a system capable of supporting the human head

“An invasion of armies can be resisted, but not an idea whose time has come.”

Victor Hugo (*Histoire d'un Crime*)

While I find the use of “-isms” rather inadequate to represent the harsh reality of life and the incentive structure for making money, I think that capitalism can qualify as a system of joint living thought up by man that *releases the brain* to do what it does best: to think. In the capitalist economies, the brain is *permitted*, nay, it is *compelled* to generate ideas at as rapid a pace as it can. Remember that even then, almost 99% of these ideas are junk and are allowed by the society to go down the drain. But the remaining 1% of these ideas are GOLD MINES and are exploited thereafter till sucked dry.

There are two important things to note here: no one person decides whether an idea is a gold mine or junk. It is the market that decides that. And second, there is no tinge of regret in this system for closing down hundreds of factories and enterprises which were based on junk ideas. Just like there is no regret for those entrepreneurs who go bankrupt, so also there is no sympathy for workers who are kicked out of their jobs if they were working with these failed entrepreneurs.

Destruction of False Ideas was - as you saw earlier, a crucial part of the sudden spurt of human development in the past 2,500 years. So also, destruction - nay, the annihilation of junk ideas, is the key to the success of Western economies. Not only is creation important. Destruction is perhaps even more important than that. It is destruction that enables the good ideas to surface to the top. If forces of Nature were not to control the reproduction of flies, these creatures - like bad ideas in a Socialistic environment - would soon engulf a nation and then the world. Control of bad ideas through a severe competition in the market place is the exact environment which leaves the gold shining through the rubbish.

On the other hand, in a Socialist system the brain is treated like a pile of dung. Even cowshit is treated with greater respect. Fifty years ago, a top civil servant in India drew Rs. 3,000 per month when the salary of the Peon was Rs. 50. That was before the disease of Socialism struck us. Today, when a newly recruited civil servant joins the service, many peons draw more than him, and when the civil servant retires as Cabinet Secretary, the difference in salary between his wage and that of his Peon is about 5 times. We do not distinguish between the head of the Cabinet Secretary and that of the peon. This man, the Cabinet Secretary, was one of the brightest persons in the entire country when he or she joined; he manned the highest posts anywhere in the nation for 30 years, he dealt with matters of state and policy that the Peon has absolutely no clue about, and at the end of these 30 years, he gets paid 5 times that of a Peon. Is that all this head is worth? Well, you create a system like that and you find all the heads of India bidding farewell to India.

Today, the US is able to attract the best heads (brains) from all over the world. Successful nations throughout the world pay their top policy makers what they are truly worth. Respect the head and you will get success. Treat it like shit and you will get shit. Socialism has everywhere defiled its heads. In the times of Stalin, millions of heads were severed outright from the limbs. These heads had in them the potential to make USSR one of the richest nations in the world. But the USSR simply threw away its heads, and scared the other heads to stop thinking completely. And look at what happened to it in the end. It just does not exist any longer.

Marx was the quintessential fool who thought that labour could produce anything worthwhile. That is why he wrote about the “labour theory of value.” Of course he was wrong.

Even his own creations (books/ thoughts) were not an outcome of his limbs, but of his brain. Labour in its purest form is a mere conglomeration of limbs which can unfortunately do only what the brain tells it to do. Labour cannot create. It can only obey.

The head needs a fertiliser: the fertiliser of freedom and competition. Take the case of Korea. Consider it to be a big flower bed. In 1953, it was partitioned into two halves. Each half applied a different fertiliser to that flower bed. In the southern half, freedom was given, and competition was encouraged. If the people are considered its fruit, then of the fruit, the brain was valued much more highly than the limbs and good people everywhere were paid the best price that they deserved in the marketplace. In the northern flower bed, however, freedom and competition were banned. The brain of everyone was treated equally. The limb was respected. North Korea went in for a big army. Result: after 45 years, North Korea is starving. South Korea is a great success. This is a true experiment. The results are obvious. Anyone failing to derive the correct conclusion from this is a fool and should be shot.

There were equally big fools all over the world. People who thought they would worship the limb (labour). All over Africa, people gave power to military dictators. These (strong) limbs of course could not produce anything of value. Limbs do not possess brain cells. They had to import even their guns from other countries. The result: those countries which gave value to the soldier as the primary creature, starved.

But the coolest and most dispassionate thinking ultimately prevails. And so the capitalist system with democracy prevails and will prevail, since it allows for the biggest competition of all: the competition of human brains. Brains contest each other in the marketplace and brains contest each other for being the leaders of the sheep. The sheep are asked to think and to vote for the goods they want as well as for the leaders they want. They are not forced, with guns poking into their back, to jump into a well.

In this little booklet much has already been said. And what has been said has been said with great gusto and boldness. I believe, truly, and would urge unto you, what (Hugo I think - check on the internet) said: boldness has .. magic in it. Be bold, go out and be independent. Dream big. Dream for YOURSELF. Care not the least for India. India will take care of itself if all of us take care of ourselves. Make your own money. Make your own dreams come true. But do not beg - either for money or for mercy, from any other human being. Be the superman that you are destined to be. Do not be a sheep. Vote not for the beggar nor for the cheat. Vote for those who make you strong. Those who enable your mind to grow. Those who force you to think for yourself.

Competition of ideas and the survival of the fittest

In the ultimate analysis, all science and human progress originates from the **competition of ideas**. In this jungle of ideas, all ideologues are competing for our attention, from communists to capitalists, from dictators to democrats. Which ever idea we buy (i.e., agree with) then determines our destiny. Human beings who have come up with superior ideas (such as superior technology or superior cunning) have always overcome other animals and other human beings. They have not merely been content to exploit them. At many times, those with the superior idea, or superior technology, have tortured, even killed other human beings, and in other ways, grabbed their wealth.

I am a strong believer in exploitation. That is the only choice I have as a human animal that has to feed his children and pass on his genes to the future. I would rather be the exploiter than the exploited. I would rather defeat you in competition than be defeated. I don't believe in appealing to the charitable intentions of others. I don't believe that true charity exists; I sneer at those who give or take charity. Outside my family, I am in competition with everyone else in the world. I defeated hundreds of thousands of able-bodied, intelligent Indians in my quest to get into the IAS so that I can be the one that decides *their* destiny than being the one whose destiny is

decided by others. I gain power by learning more and more; buying all the books that my money can possibly buy. I am on the rampage for learning and power. I will defeat anyone that comes in my way, by learning what they are doing and then overcoming them with better ideas and better solutions. My power is in my brain, my brain waves (believe me, physically I am a podgy, bespectacled, easily knocked down in a physical combat!).

[Stop it man. Have you gone crazy! Do you have no sense of modesty or self-control? Blabbering away. Almost ranting away. I do. I do. Actually. Please do not take this extraordinarily egotistic paragraph too seriously. This was only a demonstration, *a la* the Superman of Nietzsche, of the real power of the mind. There was a semblance of truth in it, though. You have to be a real fanatic in order to rise to any level higher than that of "labour." It never hurts to think of oneself in this manner unless one takes it too seriously. My mind is so inferior that I haven't created billions of dollars of wealth like Bill Gates, a fellow approximately my age. I don't really care, actually. I have done well. Each day I am at least pushing my mind further to its very limits, wherever these limits might be. My true competition is with what I was yesterday. I have to know today and do today, something more, something better than what I knew or did yesterday. Yesterday's Sanjeev has to be beaten and crushed, everyday of my life. Yesterday's Sanjeev was a fool, ignorant and arrogant. Tomorrow's Sanjeev will be better. But not easily. I have to overcome ignorance each day, analyse my follies, and push myself to the limit. Therefore, today I know that even if I don't [notice the absence of the word "can't"] make billions of dollars for myself, I can at least help someone - a reader of this book, maybe - who is much smarter than me - to make that wealth for himself/herself and thus for India. Being a Superman is a tough job. Not for the meek and cowardly who have given up faith in themselves.]

To us the West appears rich, sexy and plush. Smart, handsome guys like Bill Clinton and Bill Gates stride the world's television screens. But the West is not one homogeneous entity with the same powerful persons at the top all the time. Each individual here is in ferocious, though gentlemanly, battle with all the others. Superior ideas give rise to superior technology, which gives rise to superior products and superior companies which then give rise to riches. Till another person (usually from the West, so far, including Japan) comes along with an even more correct idea, even more superior technology, and battles it out in the open for the prize - which is More Riches. You should observe the tremendous volatility in the fate of companies, be these large or small. All companies are perpetually on notice: slacken and you will be crushed. Apple is a well known, recent example. When it started it had almost the entire PC market. In 1997 its share of the world's personal computer market had shrunk rapidly to about 3%. The company was dying out. No requiems would have been sung for Apple's CEO and the thousands of workers who were likely to be kicked out onto the streets. That is what Apple deserved (according to the market). It is another truism that Apple fought its way out and here it is back again - a victor.

Letting big dogs die and letting workers die is a necessary part of the creation of wealth. "Creative destruction" is what this process is called. Even if Bill Gates is not destroyed in his lifetime, it is almost sure that unless Microsoft keeps on innovating for Ever, the company will not remain. In fact, I predict that if you, the people of Pakistan, India, and Bangladesh, follow *my* ideas, a MicroIndia will easily come up and kill Microsoft and we will take over the world's shops.

That my ideas are stolen from the West does not count. What counts is my ability to assemble (like the ability of the popular Mr. Dell who assembles the world's best computers from

spare parts made all over the world) the best book ever written in South Asia, by pulling out of the sky the best ideas found anywhere and everywhere in the world. Quality. That is what this book is about. Quality thoughts. These ideas are guaranteed to pump adrenaline into your system and kick you off into space. By the way, how will I know that my book was the best - or worst - book ever written in South Asia? By the number of copies of the book sold in shops all over the world. I trust the market to tell me if I was merely being a joker or possibly the greatest thinker (or idea pirate!) ever born in India! There is no other test of success.

As you can well see by now, the West is so used to fighting it out to get its money that it is very stingy about giving aid to other nations, and even to its own poor. That is not how they became rich. No one gave them aid when they were poor, 200 years ago, so why should they give to others? I fully agree with them. They are not hiding the secrets of their success from us. They are in fact, always telling us (sometimes in the guise of advice from the IMF or the World Bank): "Come, join our party. Follow these principles and riches will follow you." But they don't want to give us free money. They have seen that free money being sucked up by our blood sucking political leaders and top bureaucrats, as well as how this free money corrupts entire societies, entire engineering departments. I truly support their stinginess. If I were in their place, I would only part with advice, and that too, not for free. Give not a penny to that beggar nation that beseeches me for alms. Begone, beggar. You are able-bodied, but think the wrong things. Go, think correctly and make your own wealth. And if they insist on continuing their incorrect thinking, I would let them die - which is the law of Nature - till, from the ashes of these dead fools, one wise man would sprout who would realise the correctness of The Idea, and lead his remaining people to self-reliance and the ability to feed themselves by being productive members of the world economy.

How I stole the fire of the West (in their full view)

Knowing that somebody's charity is not what is going to make me successful, I decided to steal (buy?) their best ideas. I scrounged their libraries and journals, I took the courses in which they discuss and teach ideas such as capitalism and communism, and looked around their stock markets and their country-side, and stole their ways of functioning. Fortunately, they are simpletons and do not hide their ideas well like we do [we have this efficient way of hiding things under the Official Secrets Act. No one can get *our* precious thoughts from us so easily, except by exhuming dead politicians and dead bureaucrats who leave no notes, anyway!]. So I was able to steal openly and well. In fact, it seemed that the librarians did not mind my reading these ideas at all. How strange! As a result of many years of stealing, my pockets and my arms and hands (actually, my head) are now spilling over with precious gems.

I now bring these shining and glistening ideas to you. I am an explorer and a spy returning to the shores of his native lands with gems and riches so profound that I can now generate unfathomable wealth from *within* my nations.

I wish to give you their recipe of success, a recipe which we will use to contest them and then vanquish them and buy their lands out! We will then be the imperialists and the exploiters. What a delicious thought: to be the exploiter, after hundreds of years of having been exploited! I will sell high quality, technologically unparalleled goods to these nations. I will also sell cheap goods of good quality to them and I will bring home their dollars. I will devour their wealth. I bring you this brazen and previously unimaginable dream of victory over these "exploiter" nations, because I know that I have stolen their fire, and that when we cultivate this fire and burn out our false ideas then they won't know what hit them! They will be pinned down by our victorious businessmen and producers of wealth. Pakistan, India and Bangladesh will take over the world!

Unfortunately, it turns out that many of our crucial ideas were actually quite bad because they have almost killed us off in the world. We have lost all battles. We have lost all wars. We are

impotent - as nations, on the stage of world. I don't accept this as a given for our people. We are not like this within. Remember, as I said above, and as your religion says, correctly, God created everybody equal. Therefore you are innately rich and powerful. You have to simply do the right thinking. Then the invisible hand of the market will show you the right action, and your wealth will be manifested unto you.

This book is also a part of the competition that I have talked about and will talk more about elsewhere. Merely saying that the ideas that I bring to you are gems, does not make them so. Various possibilities exist which need to be examined by you carefully before you put any value on these ideas.

1. I could be claiming that a piece of glass is a diamond. In other words, I could be conning you. Trying to make quick money out of your desperation to get the secret of wealth creation.
2. Or it could be that I am actually an idiot who somehow managed to get *very* lucky in life and got these degrees and jobs, but who is incapable of understanding anything.
3. Or it might be that I am actually speaking the truth, and that this is *the* truth about making money.

Whatever it be, it is your job (and only yours) to check whether I am credible, and whether I make any sense. I am therefore competing for your attention. For your beliefs. In the face of the onslaught of false ideas I am trying to drive my ideas through. I am writing each word and each line from the bottom of my heart, since battles can only be won by those who believe in themselves. The soldier who is afraid of battle has lost the battle even before it has begun.

I know that as they read this, some of my more senior colleagues in the IAS will gasp (am I not breaking Conduct Rules and all that crap? Am I?), political leaders who are preaching false ideas will try to proscribe these ideas, feudal leaders and the elite everywhere who have exploited the weak within their own nations will cringe and cry foul. I say, exploit! But exploit others outside your nations, if you can. I am throwing a gauntlet! Buy out the West, if you can! Japan has done that in a mere 100 years after its economic reform began. We can do it faster. But do not imagine that you can run a false system forever in the Indian sub-continent. This is the death knell of all things false and harmful.

Socialism: The Great Evil

Today we are doing hard work, but in the wrong system. We are creating work which is redundant and un-necessary. We are tying ourselves into knots. We are not doing things which we need to. That is the problem. Work which is directed toward *correct ideas* will translate into wealth and power, hard work done by people under the current Indian system of socialistic policies will fail to achieve anything no matter how hard they work. Period.

Socialist command economies are characterised by three basic tenets:

- (a) Government ownership of means of production;
- (b) Central economic planning; and
- (c) Government management of labour resources.

India has all of these, to a lesser or greater extent. In addition, India has declared itself to be a *Sovereign Socialist Secular Democratic Republic*.

Let us see how this mammothly entitled entity has fared since its birth two generations ago. If you look at the chart of history, you will find a strong resemblance between India and the *Titanic*. These are huge projects visualised to create wonders (remember our "tryst with destiny"?) but with a shaky and creaky bulwark. Defenceless against the ordinary obstacles of the journey, the *Titanic* sank, while the Indian ship is tipping over, in the process of sinking. And the people have begun to bail out. In both cases, the few who bailed out first not only survived, but

many of them will thrive. The ones who are hanging on, watching, tightening their belts even more, being driven to the edge of the railings as the water pours in, and are refusing to seek a boat, will die. OK, maybe this characterisation is too dramatic. You don't believe me yet.

But don't forget North Korea. As shown earlier, both the Koreas were exactly at the same level of income before 1950. Then, South Korea adopted some primitive form of (crony) capitalism, while North Korea took up socialism. Now, for decades, no South Korean has starved. In fact they are as close to being stinking rich as one can ever hope for India to ever be in the future. As for the North Koreans, even their children do not get to eat; their entire generation has shrivelled up and is starving. For food. What a mammoth shame! The same genes, the same blood, the same brains. Only the economic system was different, and that killed them off. Do you want more proof that Socialism kills? Oh well, then read on.

China adopted capitalism in an even more primitive and distorted form than South Korea did, in 1979. It is a huge success now, in less than 20 years since it started that. My life and yours, and the lives of my and your children, and their children, are at stake in the future, unless we throw out Socialism and stupid politicians believing in Socialism, lock stock and barrel, into the Indian Ocean. Right now! OK hold it! Don't touch anyone. Just talk to them. They are our people. They will understand. If they don't, vote them out. You and I can do that together.

Today, our best brains are nowhere to be sighted for miles from our shores. Outside the confines of the sinking ship, these ordinary folk are creating wonders, becoming, inexorably, the richest ethnic community in the world. And we the citizens don't even know what has hit us. Our politicians like dozos or bozos or gozos or whatever they are, only talk of communalism and stupid things like that as being our enemy. Nonsense. Socialism is THE enemy. The moment we are all rich, communalism and casteism will fizzle out just like segregation fizzled out in the USA after the blacks made it a practice to become millionaires on a routine basis. When the Scheduled caste millionaire in India will employ a dozen brahmins to sweep his house, casteism will be over that very day. There are single blacks today in the USA who can buy out the entire North Korea. Tomorrow our lowest Scheduled Caste will have the money and power to do that too (provided North Korea continues dutifully to try to aim for the ultimate bottom of the world's economic pyramid).

The worst part of this, you will notice, is that Socialists are violent creatures. They behave suspiciously, they don't trust anyone else, and so on. Paranoids. Psychos. They always like to IMPOSE their policies on you, the citizen, through force. Capitalists, and good economists (like me?) and honest bureaucrats (like me, too!), are gentlemen. They debate. They talk. They discuss. They persuade. They are too rich to behave badly. You can well imagine that this book is going to be found to be dangerous drivel by many people in this world. Just watch their reactions. Look for the kind of people who cry against this plain speaking book. All of them will be dictatorial Socialists, Feudal lords and Communally driven bullies, ruling poor nations.

The rich guys will not even bother to review this kind of a book. Having made tons of money, they will be simply enjoying their lives in Las Vegas and reading Playboy over a glass of wine, or taking their children to Disneyland. Life is not that serious, believe you me. You can actually ENJOY it and live like a gentleman! What! You and I can enjoy life! How can that be? You thought that life is a permanent struggle to feed your children *sattu* and onion! Aren't we the spiritual leaders of the world and aren't we supposed to show the world the way to the Heaven by leading pathetic, poor lives? Look at pictures of beautiful girls? Give my wife a brassiere costing more than ten thousand rupees? Are you off your rocker? You are going to spoil the morals of this nation! Begone! OK shut this book and go home NOW, baby boy. You get the System you Deserve. Intellectual babies get the "security" and "amorality" of Socialism. But babies are overpowered by adults. Did you know that?

But then wait for a second! I am not telling you to watch beautiful women or to give your wife a costly bra. I would never do that, too, really! What I am saying is that You and I - as

grown up adults - should have the freedom to do that if we please. To do whatever we want with our time, money or property, without hurting other human beings. I do not want anyone to control my expenses. To tell me where I am to spend my money. I give you taxes. After that you had better shut up. I am not your baby boy. I am a grown up adult. Treat me like one. You stupid politician and bureaucrat. You can't make us rich. You squeeze out whatever money I have on every pretext, on every check post on the road, and through every person you employ in your ever expanding Hydra headed government. And you treat me like a baby. Get out of my life. I will choose what I do with my life and with my money.

Capitalist societies are the only ones which allow you the FREEDOM to do what you want *provided* you are an adult. In socialist countries, on the other hand, the politicians (who have their own harems and whose children have all seen Disneyland and are studying in the most expensive English medium schools in India or in various universities in the USA, funded by money squeezed out from you and me through massive corruption) treat their grown up citizens like children. Adults are "controlled" and prevented from deciding for themselves what they have to produce, what price they have to fix for their work, and what girlie pictures they have to watch (or not watch).

I have no faith in this "tryst with destiny" which has led us to a position *below* Sub-Saharan Africa in almost all indicators, when we were one of the richest nations in the world just 250 years ago, and even 50 years ago, we were at least wealthier than the East Asian nations. This proud nation - the Golden Peacock of the Orient, courted, admired, and even feared at one time [for did not we bring sense into the pupil of the great Aristotle himself?] - is lying gasping for breath today, injured, unable to rise. [Another thing we taught to Alexander, even after Porus lost in battle to him was: We respect you, the victor, but we don't want your CHARITY. "Treat me as a vanquished king, who lost a mere battle, not as an inferior race." It is not that today our people have suddenly become impotent. As I mentioned above, Indians in America are the richest ethnic community when measured by the median family income. That is proof enough that our *people* are very, very potent. So, if our people have not become impotent, then why is India impotent? In 1965, Mother India, in tattered clothes, begging bowl in hand, went to the USA begging for food grain. I wonder what debates took place at that time in our political circles. I know for sure that we never cared to listen to Bhagwati, B.R.Shenoy and other sensible Indian economists then. We were Fabian Socialists and we went into "Planning" using some ridiculous models created by a physicist.⁶ And then we nationalised our banks, ruining the efficiency of the banking system completely.

It was becoming clear by then that our system was unsustainable, as we saw were forced to make a series of major devaluations of the Indian rupee which basically made foreign books and products ever more expensive and our ignorance ever more pervasive. Then we kicked out IBM. We closed off all relationships with foreign oil companies. We shut ourselves out from the whole world. And then began the real growth of our incestuous socialism. Politicians were bedmates of industrialists and industrialists were bedmates of bureaucrats. They created the situation where Japan was able to import iron ore from us, convert it into steel at a fraction of the cost at which we produced it in India, and sell it back to us at profit, because we had put ceilings on the production of steel and prevented upgradation of technology. Imagine someone taking mud and rock for thousands of miles by ship, then producing something out of it at a cheaper price than us, and to top it all, selling it back to us at a profit!

⁶ Manalanobis was a physicist by training; educated in Cambridge, and taught meteorology and physics at Presidency College, Calcutta, before turning his interest to statistics in which he excelled, but to the end of his life he remained innocent of the basic motivations of economic actors.

And lo and behold! By 1991, despite our foolish claims of “Mera Bharat Mahaan” we were close to bankruptcy. These misguided people who had fictitiously claimed that Bharat was Mahaan for the sake of your votes, were back in business. They undressed Mother India in front of the world, removed her meagre jewellery, pawned her bangles to the Bank of England (while their personal accounts worth millions of dollars were happily growing in size in Switzerland). We were forced to fly out our gold reserves from the Reserve Bank of India to England: merely in order to get the West to lend us a measly five billion dollars. Nobody in the world trusted us with their money; so they wanted to get our gold first. Can *we* ever do that to the USA? Ask it to fly its gold reserves to our Reserve Bank so that we can lend it a few billion dollars (the USA, by the way, produces over 7,500 billion dollars of incomes each year)? Mother India, asking to borrow an amount equal to THREE HOURS OF INCOME EARNINGS of the USA, was forced to pawn her bangles because nobody believed in our Mother’s ability to repay.

The West (basically US trained economists) then set certain conditions on our economic policy which we pretended were our own. Beggars can’t be choosers. We called it our own liberalisation.⁷ But of course it was not “our own” reform. We did not understand the need for reform from within. Our political parties did not try to communicate the need for reform to the people. They carried on as if nothing ever happened. Our communist parties - who rule the states which have beggared their citizens the most - even railed against the IMF and World Bank saying that we don’t want their advice (the stupid fools did not realise that if we had *not* followed these policies and borrowed that money, the Indian rupee today would have been worth less than one tenth of what it is today).

Sorry boys! You have no choice. Once you have become bad boys and squandered away your little money, you have to listen to Big Brother. Also, remember. Those who hide from the truth can often face a very bitter consequence. Remember the USSR? For long, it claimed that its rouble was worth more than a US dollar. But the black markets had knowingly started devaluing the rouble. Finally, when the USSR broke up, do you know what happened to the once proud rouble? It needed 2000 roubles to buy one dollar. Today it needs 5,333 roubles to buy one dollar. Russia saw 2,500% inflation in 1992. Today, much of its industry is owned by foreigners, and even though salaries have risen in rouble terms, the real purchasing power of the rouble has collapsed. The cause for which millions of people were murdered and massacred by Lenin and Stalin was a bogus and wasteful. Corpses that litter the landscape of the USSR died in vain. Far from becoming a nation which would be a boon for the workers, it made the workers bankrupt. They stood in lines to get tiny bits of bread. They were all made corrupt and became thieves (stealing from their factories and farms), and drunkards. Families were broken up to the extent that a son would complain against the father to gain power and prestige. Socialism dissipated completely the wealth of the Russians. Millions were thrown into the blazing sacrificial fire at its alter, in vain.

In my view, the rupee can drop anywhere between Rs. 100 to Rs.100,000 to the dollar in a few decades if we keep on the same insane path of socialism. It will not do for our politicians to tell us that our level of Rs. 44 to a dollar is a “reasonable” level. I really don’t care about that. My salary in India is indexed to inflation in such a way that I and all bureaucrats are consistently sliding down the income brackets. My predecessors in 1947 received upto Rs. 3,000 per month, and I receive Rs. 25,000. What matters it to me if my Rs. 25,000 can only buy goods that were worth Rs. 50 in 1947? Inflation is an insidious enemy, prompted by socialistic policies which rely on what is called a Welfare State: print more and more money to feed the ever widening mouth of

⁷ I learn now that the documents for liberalisation were prepared by a young Indian economist, Subroto Roy. Today, the so-called “votaries” of reform such as Narasimha Rao and Manmohan Singh have backtracked on their statements, proving that the reform was not something that they had any ‘hand’ in.

politicians, on the pretext of feeding the poor. That way the poor get nothing and everyone but the politician gets rich. Today, there is talk of it costing over Rs. 3 crore per political party *per constituency* in order to contest elections. Can a poor, honest citizen *ever* think of contesting elections in his own country in such a situation. Imagine this. I may want to be your Prime Minister or Defence Minister, but there is no way that I can even hope of being one. Keep your expectations low. Be happy if you can somehow build a small one bedroom house in the corner of a big city after you retire. Leave the running of the country to “us:” the blood sucking politicians and their pseudo-capitalist mentors - who earn money not through honest competition but through preferences and quotas.

The only reason why a total collapse of the rupee has not taken place is because we have some kind of a “mixed” economy where there is at least a semblance of capitalism. But this is so weak that it won’t help us at all during a global downturn and competition from the now much more fiercely competitive South East Asian economies. Don’t imagine that your country’s value is protected by socialism. Socialism completely wipes out the value of entire economies. The socialistic politicians and bureaucrats and policemen suck your blood for breakfast, and once they make you sufficiently weak and powerless, they sell out your nation to capitalists, and send their children and ill-gotten wealth abroad. Socialism is a plague bigger than all the plagues of the world combined because it atrophies your competitive muscle. Socialists are greater traitors than even Mir Jafar was. You love the country. Then make it **STRONG**. Develop its mind. Build its muscle. Don’t make it effeminate. Fight. Compete. Be the fittest.

Socialism is like living an easy life. In India, I am cushioned from the truth and the reality. I can produce junk and yet I am protected by regulations and so I can sell my junk for a profit. Like our useless cars (Ambassadors, Fiats, etc.). Capitalism, on the other hand, **hurts**. There is no job security, no one to cushion your firm from bankruptcy. It is the ultimate form of mental tension. I can’t sleep because my products are suddenly not selling. I can’t stop working because I have a commitment to deliver an upgrade by a particular date and my credibility is crucial for my getting future bookings and orders. I am forced to be on my toes all the time. But at the end of it, I am performing on all four cylinders, all the time. My best output is visible to the world and to me. I have the intense sense of satisfaction of having worked to my best capacity. I can finally savour victory against all competition and my goods bought like hot cakes by millions of people all over the world. Capitalism is being a full-blooded human being. The Superman of Nietzsche. My muscles are taut, my mind is agile, my thoughts are simple and clear. I am truly living. Not being a miserable fat slob hiding from the rest of the world. Kill these useless slobs!

[OK, I’m just joking. Honestly, one of the most Evil consequences of socialism has been the “control” and dictatorship that it has given rise to as the chosen method of debate; millions of people butchered in the name of ideology. You see this everywhere. Naxalites are causing havoc in Bihar and Andhra, after having butchered hundreds in West Bengal; we have the ULFA in Assam owing allegiance to Scientific Socialism. In the course of hide-and-seek terrorist tactics preached by Mao and Stalin, any opposer is merely killed off. Zap! But in a debate or crisis, of course, Socialists are all caught with their pants down and found to have missing sexual organs. They have not one success to show, anywhere in the world, in the past 150 years. We have a softer version of Socialism in India - the Fabian Socialism. This kind of a socialist does not encourage debate; even though they do not kill outright, they suck out your blood in stages. But we will not kill Socialists. We will talk. We are gentlemen. We will show them how to grow back their muscle and more importantly, their brain.]

Socialism is not our only blight, of course. We are feudal, fundamentalist and completely warped up. Type II ideas proliferate in the midst of the crushing poverty of India where everyone is busy working for a living and there is no time to think. We have always been fighting from within; so busy are we fighting with each other that we do not have time to discuss basic economic policy and where we are going. Therefore, despite the golden opportunity afforded to us in 1991 by the crisis, we did nothing about controlling wasteful expenditures in public sector companies, we did nothing about trimming and modernising our bureaucracy. We just made the bare minimum “cosmetic” changes required by the IMF and boom! back we are at the same point. We have not reformed at all. Instead, as usual, we have fallen back a couple of steps along the way. The only saving grace is our “mixed economy” whereby at least some of our good and greedy brains are working hard in India within a very suffocating atmosphere, to produce at least something of some value.

[Oh! but look at our growth rates in the last decade! Weren't these wonderful! Of course not! The truth is that the USA has seen real GNP growth rates of over 5% per year for 40 years from 1840-1880. Then its growth rates came down a bit, but remained generally above 3% ever since. Per capita rates have been at around 2% for over a century. To catch up with such mighty growth rates, we need to truly speed up. The growth rate of our GDP has to be over 10% per year for 30 years for us to even hope to sometime in the future catch up with the West. Therefore we have nothing to gloat about at all.

Indeed, the only thing that one says is that these growth rates seen initially after the reform is that these PROVE the entire point of this book. RELEASE the bonds and restrictions placed on our brains. Even the most lukewarm liberalisation, enabled us to shoot up our exports immediately, and our industrial production reached somewhat OK levels. There were even a number of Indians settled abroad who came back to India for a while thinking they would set up shop here. But of course that was not to be. Our rules and procedures are still the same. Our bureaucrats and other government servants resist the insidious aspersion arising from the very need of reform that they are incompetent, and since we had very weak governments in this period, which were basically struggling for their own survival, there was no real change anywhere. There was no understanding nor any real commitment to FREE India from the clutches of Fabian and other socialists, and the deeply entrenched bureaucracy.]

The Titanic called India therefore, is creaking along into the dangerous waters of the 21st century where competition is getting even hotter, and where it is becoming ever more difficult to export. What chance do we have today without having made our economy competitive, without getting rid of bad policies, and without trimming our bureaucracy? Therefore, as surely as Z comes after A, our rupee will collapse to nothingness [I will of course get very very rich when that happens since I possess a few dollars that I have saved as a student in the USA: I will perhaps be able to buy out Reliance and Tatas combined!]. The truth is that when that happens, we will have to sell out our entire industries and even our land to foreigners, since we will be unable to repay the debt that we owe to the peoples of the world. Selling our land sounds bad, but is really not that bad. Today, if you like, you can buy land and property in the USA, if you can afford it. What is bad is that *we* could have been the ones buying out the rest of the world instead, now, had we followed good policies for 50 years. Japan, a tiny country, was able to buy out lands, buildings, and film studios in the West, even after being defeated and economically ruined after the World War II. If they could do it, we can too. We should.

Do we need a Dictator to rescue the ship?

We need strong means to save this tottering ship. In conversations with friends, some exclaim, “We need a dictator: look at the great discipline we had during the Emergency!” No, please save me from this kind of foolish talk. We do not need dictatorships, nor the Emergency, nor any violence, nor any bureaucratic or Police ruthlessness. Just plain and simple good economic policy, cutting out the useless, ill-educated, confused and completely misguided intervention by untrained and pompous bureaucrats strutting about the stage of our nations in the uniform and guise given to them by foreigners who left our shores long ago.

But I - a “trained bureaucrat” - *know*, because of my training, that I am completely incapable of guiding a business where I have no financial stake (ownership). That is what I can say after being trained “so much” that the Government of India used my services to teach IAS officers financial management and economics. But now I say loudly and clearly unto them: “You cannot manage unless you own.” So stop this drama and pretence of managing business. At once.

Under such circumstances, what do you call a bureaucrat who is innocent of managing for profit -- as most are, yet who unhesitatingly joins as the CEO of large public sector companies, thinking he or she can run the business in which he or she has no ownership, and in which the losses are simply passed on to the tax payer? What do you call a bureaucrat who tries to fix prices of goods, a function which is best done by the market? Such bureaucrats, in my confirmed opinion, as well as deep knowledge from within my soul, are *parasites* and *pretenders*. They are a *critical part* of the problem we have in India.

I happen to have the advantage of knowing what drives such officers to these jobs. The conditions of work of honest senior IAS officers are getting so bad in New Delhi (most cannot get admissions for their children in good schools, most cannot afford to drive a car and so have to travel by bus) that what **actually** drives officers like me to take up these jobs are the “perks” - a chauffeur driven car, and a big rest-house in New Delhi where they can take their family and friends whenever they like. Also, frequent air trips to New Delhi and plenty of TA/DA (i.e., money for travelling). Finally, a few foreign trips that they can make to visit other factories in the world. We, as a community, are otherwise completely innocent of any relevant knowledge. We know not a thing about business. We lose no sleep if the company goes into perennial loss. Traitors! These are the things for which we sell our intellectual integrity and try to do things for which we should know we are completely ill-equipped. Get out of business, bureaucrats, and do your own jobs efficiently. Provide us with safe and secure governance. Provide us with a sound land administration. And let our millions run the country’s businesses while we provide them with the correct incentives for work.

So what is to be done? Well, I know what is NOT to be done. We definitely don’t need any dictators. We don’t want to give absolute power to any one person, no matter how intelligent and wise he or she may be. We want the people to vote out Socialists. We want to knock out the world “Socialist” from our Preamble. We want our elected representatives to know basic economics. We want this book to be compulsory reading for anyone filing for elections in India!

Competition, capitalism, democracy

So what do we need?

History is littered with the remains of ineffective economic systems such as Argentina at the turn of the century, the Philippines before World War II, the Soviet Union, North Korea and now, the bureaucratized and politicized economies of South East Asia. The latter are not dead yet, just undergoing a transformation. So also, all failed systems have had to transform, or perish.

Before going on, I must say that I have looked all around myself, tried to study various economic systems, and looked at human nature, and the only durable system so far devised seems to be the **capitalist system with democracy and government intervention in the supply of**

public goods. This is the only system that allows for intellectual and economic competition. This is the only system in which justice is meted out instantly - by the market (in one case, by the market for goods and in the other by the market for ideas).

The fundamental issue is to determine whether a given nation respects the market (which represents the decisions of millions of people) or a few handful of “chosen” decision makers. To succeed in this competitive world it is essential to respect the market. The market is not a bad thing, even if it may involve speculation, over-shooting, speculative bubbles, volatility, or recession. The reason is clear. Human beings are progressive creatures, always trying to displace or improve older things. The market place (including the market for votes) is the only place where, being given the guarantee that the basic rules of the game will be protected, they can sell their ideas or goods, and get instant feedback about their quality. Further, human beings are individually and collectively susceptible to errors of judgement. The lesser the number of individuals one relies upon to take critical decisions for an economy, the greater the volatility and risk associated with human existence. This is obvious when one looks at the economic performance of nations under dictatorships. In some cases the nations do outstandingly well, but in many, there is complete chaos and ruin. If one is afraid of markets, one should be afraid far more of decisions taken by a few. In any case, the largest and greatest success story of them all - the United States of America - did not require any dictatorships to outperform ALL dictatorships and all limited edition dictatorships such as socialisms of various nations. The case rests.

Competition has been and will be the mainstay of the long-term successful nations. These nations nurture competition as the most hallowed feature of their system. Those nations that do not nurture competition will - as invariably as the sun sets in the west - fall by the wayside and be the subordinate nations of the world, needing to be “bailed out” of their stupidities from time to time. Like India, in the 1960s with food grain from the US and in the early 1990s with foreign exchange from primarily a U S funded IMF. We are essentially a subordinate nation to the United States, no matter how much some of our political leaders tout our greatness or our role on the world arena. We do not dictate our will in the world because no one really listens to us. No one cares to listen to a loser.

The last time any Indian played a major role in the world was when Gandhi influenced the eruption of human rights all across the world, including in the United States and South Africa. But that’s about it. No other Indian has counted for much in the writing of the history of the world of the 20th century.

Let us see carefully what is wrong with India and why it does not count for much anywhere (except now as a supplier of human brain power). It makes little sense for an investor sitting outside India to make truly big investments in India since we have not nurtured competition as the most sacred thing in our society. We blame the buck on the bureaucracy. But that is rubbish! The investor is least bothered about red-tapism if at the end of the tunnel, by bribing and by cheating, he or she can achieve high quality production which can then swamp the world markets, such as the production of Adidas shoes or Levis pants in the South East Asian nations. These nations are not known to be the most free of corruption or red-tapism, but the investor was lured to these nations by the presence of capitalism in howsoever flimsy a way: by the absence of wasteful government expenditures and by the absence of strong labour unions which prevent the achievement of the highest output with the lowest cost. In the short term, these nations even appeared to be anti-labour; but due to the huge success in production, poverty has been virtually banished from these nations.

The thing to remember is that one can go nowhere in life by simply increasing production. What is produced must sell, sooner or later, or the firm and the economy will collapse. That is where competition comes in, and not necessarily in the stage of formation of a firm. A firm can be formed in China (a communist nation) or in the USA, and it does not matter

how it is funded - by debt, equity or subsidy. If the firm has to succeed, it must produce goods that sell. Period. Nothing more than that is required.

And this is where competition comes in. And respect for markets comes in. To out-grow another nation, one nation must outproduce and outsell the other. It will do no nation any good to have its firms produce shoddy quality goods for its own nation, or for its own poor, as we have done for too long in India. We must let the rest of world compete for the expenditures of our consumer in India, and we must compete for the expenditures of the consumers in other parts of the world.

While I truly care for an honest and clean government, I care far more for a government which respects the consumer by respecting the markets and by encouraging the production of goods which sell.

Instead, we have done much to curb competition in India. We just do not allow the world free entry into India, and fail to allow our domestic industries to develop competitively. There is no virtue in sheltered development. I cannot make my child develop into a competitive tennis player if I just let him play within his village or street. I need to let him go out and play with other, outside players. That builds essential human character. If these qualities are missing from our industrialists (the quality of being able to take both losses and wins), then we can never be large players on the world market. Competition does not guarantee that I or you - as individual players - will do well. Instead it guarantees that we as individuals will do our BEST. Collectively, that guarantees that we will do our best as a nation.

We have not liberalised enough. We are still not learning our lessons about free markets. We shut our eyes to the interplay of human incentives. How can bureaucratically managed public sector units help us progress? It is easy to show one or two industries that have done well. That is not the point. Always look at the total picture. What has been the return on our public sector? Why do we insist on hiding our face in the sand? We have been throwing good money after the bad for the past 50 years. You cannot afford to do that either as a private individual or as a nation. Stop losses. But instead of a bureaucrat deciding that, let the market decide it. Let shareholders decide. Let the stakeholders decide. As a first step, give back to the people everything that is productive, and let them then decide what they should do with it.

Nations whose economies were not even larger than some of our states' economies have overpowered us on the world arena. Economics teaches that nations with lower economic levels can achieve faster growth rates (called the catch-up hypothesis). This indeed did take place with many nations in Asia. Unfortunately, we did not give ourselves any chance. We taxed our creative people too much (while exempting from tax a majority of the population), we taxed imports too much, we wasted our tax revenues by pouring money into firms that produced rubbish quality stuff which did not sell anywhere in the world outside the captive markets of the closed economy of India. We committed hara-kiri on a mammoth scale, unmatched by any nation in this century with the exception of perhaps, the Soviet Union and North Korea. A nation of bright and often brilliant young people has come to the state today where it counts for naught on the world scene. As an Indian I find this state of affairs unacceptable to me. It must be unacceptable to you. It is not something we need to live with.

If we (Indians) were to possess adequate confidence in ourselves, we would not fight shy of competing on equal footing with the rest of the world. This means that we would say to the world, in every field of activity, "Come on, let us contest!" This would mean that we would allow the consumer to choose the goods at the actual price of the goods. If our business people cannot produce a particular level of quality which consumers demand, then we should accept our defeat in the "contest" and allow the better producers to come in from wherever they are in the world and produce goods for us (maybe on mutually beneficial terms). Of course, this might be extremely shameful and even humiliating in the short run. But at least we will be saved from the ignominy of being a nation four times the size of the US in population but with less than 1/20th of

its per capita income, even after adjusting for purchasing power parity (in dollar terms our per capita income is about 1/70th of that of USA). At least we shall then learn how to produce better goods and our future generation will become sharply competitive.

Facing up to the reality of this world has not harmed any species. Nature is replete with examples of species that died out because they were sheltered and could not face up to the smallest of changes when a competitor entered. The lion ruthlessly (note the word) kills the beautiful, cuddly, playful cubs of its rival, with the brutal crunching of the head of the cubs with its jaws. This is good. Please note that. This is not immoral or violent and hence something to be condemned. The lion species would not survive otherwise. It is only through intense competition for the passing on of the better genes that the lion is the king of the jungle. Even the smallest species of nature goes through various mechanisms to pass on its genes successfully. There is no mercy shown in nature to the weak or cowardly or timid or foolish.

Economics is just a branch of the same science of nature. Adam Smith discovered this law of competition well before Darwin came on the scene and he found that this is the only way for a society to succeed.

The economy is ferocious and ruthless. Do not be deceived by the calm of religious preaching or humanitarian principles or by the relative calm of the stock market. The economic and political market is a jungle and only the fittest can survive here. What appears calm on the surface is actually extremely turbulent and competitive inside. A vast majority of new ventures simply cannot survive to their second year. A vast percentage of firms listed on the stock markets yesterday are no longer listed today because they collapsed on the way. A vast number of companies will close down. Even the bluest of the blue chip companies are constantly under threat. Bigness is no guarantor of survival, as many an ageing lion has found in the jungle.

Why should companies close down? Is this not a gross waste of human effort and energy? First you build a huge plant and factory. Then you employ hundreds and thousands of workers and establish their houses and schools nearby. And then you let this huge effort close down? What about the poor children of the poor workers? Who will look after their future? Merci! Let us not close down these factories; let us subsidise these children! Let us carry on paying the workers somehow, let us ... socialise ... the economy. This is no flagrant statement. Hundreds of public sector units in India are actually at this stage since the past forty years - getting permanent subsidies from you and me - the tax payer - to keep them afloat.

Can you build competitive muscle this way? If the market refuses to buy your goods, can you sustain the society this way? I don't even care for the physical care of these children and workers. I care for the character of the society. Can you build true character in a society this way? By teaching the children of our nation to plead and beg for the droppings of our rich tax payers, and when that fails, the droppings of the rich in the USA (the few billions we squeeze out of the IMF are actually the droppings of a nation of that size)? What would you rather be? A society whose children can afford to buy a brassiere for ten thousand rupees, or a car for three crore rupees, or a society whose children need to eat the scraps of paper they find in the rubbish bins? You have to be rich, I say, and powerful. The world does not care for the poor, timid, weak, or the foolish. I don't want any poor. I don't care to have any poor. I don't want dignity in death. I want dignity in life.

But you and I are afraid of markets. Markets seem to punish brutally without there being any "big dictator." We don't like firms closing down. We hate having to admit that we were outsmarted in the marketplace by someone else who produced a more innovative and higher quality product than us. But who is this fearsome market? Whom are we afraid of? We!! We are the market. We are that dictator. We, through our buying and selling decisions, determine the fate of the incompetent. We would like to buy the best. We don't care for being cheated by high prices for low quality goods and services. Can't we simply respect ourselves? Our decisions? The fact that we like better more than worse, the fact that we like something more than the other. And if

we respect our own decisions then we have nothing to fear from the markets. These are the most rational and powerful mechanism devised by mankind for enabling the best minds and best entrepreneurs to display their skills and become rich through producing good quality and low priced goods.

By refusing to buy goods made in India, the world is effectively killing India. But we do not seem to understand why. It is not one single person sitting somewhere in the USA who is deciding this. It is the billions of individuals across the whole world who are deciding this. There is no imperialism or discrimination going on here. It is only the power of the market. Japan can sell its goods and so can Korea. Not because people sitting in the rich mansions of the USA love the Japanese or the Koreans, but because they love the goods they produce. Period. You don't have to love the worker who produced your goods. That is why the markets are so important.

On the other hand the great dictators want us to love them and sing praise about them. Actually, I hate the idea of kow-towing to any other human being, be it the President of a nation or the beggar down my street. I really don't care for being asked to love or sing praise of any one or more leader. I care to lead my life in a simple manner and to be able to do what I want. I want to be allowed to buy and sell what I want. I want a market to go to where all the goods that are produced in the world are available at whatever is their offer price (determined by the seller), and I want to be able to choose the goods I want to buy or if there is something I feel that I can sell, then the ability to go and sell at the price that the market will pay. That is my idea of a successful society and a good place to live in. That's it. I don't care who did what for our nation, and who sacrificed what for us. All I want to know is that TODAY, having achieved political freedom, where is my freedom to buy and sell? I really don't care for political leaders telling me what to buy at what price, and to pay homage to them at the end of it all by building them a statue. If I had to build any one statue in my life, that would be a statue to Liberty representing the liberty to buy and sell in the market.

Let us not fool ourselves any longer. You want to be rich and powerful, but want to hide yourself from global competition? If so then you are a fool and a fool is always suitably rewarded: as has India been rewarded for its policies of the past fifty years.

Essentially then, to repeat what I have been saying: **Either eat or be eaten.** But do not, for God's sake, cringe in a corner of the world trying to create a non-competitive world, something which nature never meant to be. There is no harm if we can get victory or freedom out of non-violence, but there is no evidence any where in the history of the world of any nation becoming stinking rich by virtue of non-competition. The Romans were a great empire because they were ferociously competitive and used the best minds and technology in the world. The USA is great today for the same reason.

In India we believe that our greatest period is past; that our great men are no more; that our present is rotten and stinking; that our politicians and leaders and everybody around is a pale imitation of what our "forefathers" were. But the whole issue is that unless we build our abilities TODAY, no one will give us free money in honour of our past. Everywhere there are waves and hordes of people, working hard to build their skills. We do not stand a chance if we do not compete with them and outsmart them. We need to learn from the best by directly trying to beat the best at their own game. We have to respect the world. We have to take reasonable risks in our personal lives, and seek self-actualisation through contesting against the best. Taking moderate risk is harder on the stomach the taking no risk, but look - where these moderate risk takers reach in the long run. Facing up to global competition is risky but it builds character and keeps our society nimble. Workers who are kicked out of a job get another one because they continually train themselves and upgrade their skills. Those who face up to the competition by building up their skills become managers, and the society gains from these skills by becoming more productive.

Thus, “competition” is the golden mantra that India MUST adopt as its very own. Unless we make Indian markets completely competitive, I will retain my long term negative view of India’s future: because the truth always wins. India will sink lower down in the list of nations. We will continue to be beggars on the world scene, begging for cheap loans and other aid. There are signs that we are now beginning to trail the Sub-Saharan African region. But we will not stop there. We will definitely end at the bottom of the heap.

As far as I am concerned, this is the essence of all that economics has to teach us and all that I have learnt in my years of study and travel abroad, as well as through my years of working as a bureaucrat. In any case, this lesson is all that really matters. Other uses of economics, like modelling the economy, or even worse, “planning” the economy, are trivial mathematical exercises which do not require even a moment’s notice of the citizens. Let the economists tinker with their mathematical toys and wander about hyperspaces and hyperplanes. No earth-shaking information has ever come out of economic science since Adam Smith and I do not expect to hear of any thing as glorious from these tinkerers for the rest of my life. But this - the lesson of competition and respect for markets and thus of the price system - is a lesson so profound that thousands of years will go by and mankind will continue to marvel at the beauty and power of this simple lesson. Future generations will also marvel at how those nations that were foolish enough not to see this simple truth - due to the mental or other disability of its leaders, were brought to their knees repeatedly by those who were more competitive, till finally (and hopefully) they learnt the lesson.

Post Script

In retrospect, I only wish that a booklet like this had been available to me (cheaply) when I was really young. Just like other youth, I was fed on wrong ideas. But never mind, I am making a start. I hope the people and in particular the youth will read this. The older people are almost out of reach of such ideas. Many of them are “horse traders.” They don’t know anything of value to anyone. And by now they are too old to learn. So we can safely write them off without any loss of value to anyone in the world.

While addressing readers from these three great nations of Pakistan, India and Bangladesh, I can unfortunately, only talk based on limited experience and study of India. Therefore if India finds too prominent a place in this write-up, it does not mean that I have ignored my brothers, but simply that there are serious limits to my knowledge. If anyone from Pakistan or from Bangladesh wishes to participate in this dialogue, I would be most gratified if they send in their comments.

In this never-ending search for truth, everyone must participate in their own way. And only the truth will triumph. I have a very, very long-term vision for the triumph of truth. A truth has to last *forever* else it is not a truth. As Machiavelli said, “time is the mother of truth.” Therefore a mere fifty years is nothing to my mind. My lifetime is but a drop of time that does not count for much. Hence, if anything said in this booklet is found hovering anywhere in the vicinity of truth, that something will survive the test of time - which means that there will be at least one person reading this material after a hundred years and saying that there was at least one seed of truth in it. And if most or everything in this booklet was false, it will fade away, well before a hundred years. As it rightly should.

I want to take your permission to quote what Ronald H. Coase so ably said in his Nobel lecture in 1991: “I am very much aware that many will not agree with the opinions I have expressed and some may even be offended by them. But a scholar⁸ must be content with the knowledge that what is false in what he says will soon be exposed and, as for what is true, he can count on ultimately seeing it accepted, if only he lives long enough.” No, I am in no way comparing this trifling collection of a few basic thoughts with the kind of work that Coase or others have done. Instead, I am merely trying to express the hope that as I participate in this search for the truth, along with you, the reader, I desire nothing more than to be disproved, and as quickly as possible. I wish all falsehoods of understanding to be scalded away by the truth. I am writing a different book, separately, with a more academic persuasion, but do write to me about any issue you feel I have judged completely wrongly in this little booklet.

I cannot feel greater pain at this time than that I am an Indian citizen. Not because I am an Indian (of which I am proud) but because of the mess that has been forced on us by our misguided leaders. I know that this pain is universal to all Indians. We simply try to hide this pain and shame by looking past our shoulders into our “glorious past” and our Golden Age (when we were rich, for the last time that we know of). We hang our heads in shame when we are unable to gain access into places like the big hotels where only the rich can go. A personally paid for air-flight is something undreamt of by most of us in India - a thing which is common across the rest of the world. We hang our heads in shame when we realise that there are at least forty lakh crore-patis in the USA, and only a handful in India (including some Prime Ministers and Urban Development Ministers). And so on. But this cannot be tolerated forever. Something has to give. Our shame must be put to good use. Our jealousy of the rich nations must be put to good use. We must learn economics. Not too much maths. Not too many equations. Nothing but competition.

⁸ This book(let) too is founded on a rather scholarly approach, I assure you, even though it may seem that the scholar has given way excessively to emotion.

Let us throw open our doors to all human products across the world. Let our sheltered industrialists and entrepreneurs go out into the open. Let us face the fact that some of them will die, and let us have no remorse about it. If I can pass on this “secret” lesson (about competition) to at least one person in India, I will die a happy man.⁹

Go, my friend! Fight this war of the marketplace and may you win infinite victories for India by being able to sell your goods to the whole world. May you prosper and grow rich beyond your wildest imagination. Fare thee well.

⁹ To add some detail of the systemic changes we need to make in order to achieve our national goal, I am adding extracts from the constitution of an ideal political party and a people’s manifesto, as Annexures, based on work done at the India Policy Institute over two years.

ANNEXURE I

CONSTITUTION OF AN IDEAL POLITICAL PARTY*

CONSTITUTION AND RULES

PREAMBLE

The Party shall protect the following *Declaration Of The Sovereignty Of A Citizen* (made in the first person):

1. Our existence is separate

The chain of events leading to my birth, essentially unrelated in any way to the political boundaries that I see today, places me in the environs of a particular society, to which I am related essentially through my parents. But ultimately, I am an independent link of the chain, existing today for reasons best defined by me and understood by me, alone. I alone can actually feel pain when I nick myself, not my nation, nor even my family. I alone can think for myself. Not my nation, nor even my family. No institution of organisation can be created that undermines this individuality.

2. My compact with society, government, nation

I had powers of existence defined unto me the moment I was born, and my parents through the society had protected this power through a contract, restraining those who would diminish this power in any way, and enabling those who would cherish and further it so that I was safe while I grew into myself. That contract was for the creation and support of a government and consequently of a nation, through transferring my task of self-defence to other free citizens in lieu of payment. The nation was created by us, through our joint acquiescence, thus, primarily to protect ourselves, and its sanctity remains as long as this fundamental compact is honoured. No institution shall seek to capture power over the individual domain or otherwise undermine this fundamental compact.

3. Loaning additional powers

Further, all of us, jointly, through mutual discussion and debate, temporarily authorise the government from time to time to do what we jointly consider as being “good” for us and our families, such as providing common services and goods which we cannot profitably provide as individuals to ourselves. But those are not part of the essential, inter-generational national contract and such additionalities are subject to review based on new information and new technology.

4. Fair Society

I work toward a society where able bodied persons work in legally and socially acceptable occupations for their self-interest and are rewarded for their contributions in proportion to the quality and effort expended, the measure of which is the mutually determined demand for that labour through bidding of services in open competition. That society is called a “Fair” society since it is equitable in terms of reward being fully and mutually determined. Those that are not able, by virtue of their physical or mental limitations, nevertheless are equally deserving of the

* This is a document prepared by me for debate on the National Debate on System Reform hosted by the [India Policy Institute](#). This is the December, 1999 version.

merits of the efforts in comparable proportion to that which they might reasonably obtain if their limitations were removed.

5. My obligation and method to review these arrangements

Everything that existed in the past existed without my permission. I can do nothing about it. But any existing arrangement that desires to exist while I am aware must get my permission to exist from that moment, either explicitly, or, as is more common, implicitly. If I do not wish to permit it to exist, I can use the powers of voice to challenge it, and with mutual consent of my fellow sojourners, change it. That is my chosen obligation and the only mutually acceptable method available. Should my efforts, and those of other like-minded persons, fail to achieve such change due to lack of a majority, I remain obligated to maintain the existing arrangement without losing the right to continue my efforts to get it changed.

6. My obligation to others

I have no obligation to tend for other humans in my nation once I have paid the dues mutually determined. That does not mean that I become uncivic. I retain the right, as a free citizen, to contribute in cash or in kind, over and above the taxes I pay, to help causes which I believe as being good for the society in which I wish to live.

- sd -

Free Citizen of Free India

**Part I
Nomenclature & Identity**

Article 1: NAME

The name of the Party shall be "[Victory of India Party](#)" (hereinafter referred to as "The Party").

Article 2: OBJECTIVES

1. The primary objective of the Party is to work as a public forum for the well-being and advancement of the people of India through the expansion of their freedoms and liberty of faith, economic choice and expression, to the extent that such freedoms are non-invasive over similar liberties of other citizens.
2. It is committed to *opposing* socialism and other collectivist principles and to promoting a small but strong government which provides the least number of reasonable restrictions on the liberties of citizens.
3. The Party shall strive to promote active citizenship and provide an avenue to good people to enter into politics and nation building.
4. The Party shall help create policies and laws which ensure that in the event that the government is in any way less than perfect, the system will make it impossible for anyone with ulterior motives to even attempt to be dishonest and corrupt.
5. The Party shall seek to represent the citizens of India through electoral processes at all levels.

Article 3: GUARANTEE

1. The Party shall guarantee the integrity of candidates sponsored for elections by the Party at all levels.
2. Wherever and whenever elected by the People of India to represent them as a government, the Party shall guarantee good governance as per the Party Manifesto.

3. The Party shall act as a watchdog on behalf of the People and if any Party candidate becomes corrupt on being selected as Minister, or to any Party position, and compromises the highest standards, such person shall be expelled from the Party after due inquiry, and the inquiry report placed on the internet and submitted to the government for necessary action under the various laws in the case of Ministers and elected public officials.

Article 4: FUNDAMENTAL BELIEFS

A) The Party shall bear true faith and allegiance to the Constitution of India as by law established and to the principles of secularism and democracy and would uphold the sovereignty, unity and integrity of India.

B) The Party abides by the following fundamental beliefs

1. Innate equality among all peoples everywhere

a) All human beings are created equal in an essential way. Equality of opportunity has to be the founding principle of an equitable society.

b) Political groups which use differences of religion, caste, or language, to come to power, have hurt India very badly both before and after independence.

c) Till about 1750A.D. India occupied complete economic equality with the advanced nations of today. Even at the time of independence, India was much more equal to the West than it is today. The current economic inequality is primarily rooted in systems created by us.

2. Liberty and mutual respect

a) Human rights and liberty are more precious than wealth.

b) We may differ from our brothers in the way of achieving the goals, but we shall respect all dissenters and hear them out, in full, carefully understanding their argument. Democracy needs real freedom of speech, as well as patience of all concerned.

c) We believe in democracy, both conceptually, and practically in the way it is defined in the Indian Constitution. Dictatorship is the worst enemy of the people.

d) Religion is a purely personal matter never to be brought into the area of political discourse, and no religion is supreme nor worth fighting about. All religions are to be fully respected.

3. Belief in self

a) Each human life counts, or can count, if one makes it count. Each of us can consciously choose for ourselves a courageous role in life, standing up for what we believe in. We are a nation of one.

b) India has a destiny to fulfil; a role to play on the stage of the world. That role is not small. But it has to be earned through technological and economic superiority, and by promoting innovation at all levels. Nobody is waiting to gift us this role, for free.

c) Indians shall be not merely considered as spiritual curiosities but respected as the leaders of the world. We shall make this happen. At the moment the world perhaps chuckles to hears such "tall claims." Perhaps rightly so. But it is within our capacity to get the respect we think we deserve.

4. Nation, government, citizens and markets

a) To the free man, the country is the collection of individuals who compose it, not something over and above them.

b) The citizens of a free nation, when voluntarily exchanging goods and services, and valuing these goods and services through their interaction are said to constitute a market. In this

mode of interaction, individual choice is given full respect. This mode may not be the best mode or even a feasible mode of interaction, for all situations.

c) Government is an entity which can be said to have a contractual obligation to fulfil certain tasks given to it to do by the People. It cannot unilaterally take on tasks which it is not asked by the People to do. One of the key tasks given to government is to determine the 'rules of the game' of markets and to umpire and enforce these rules.

d) Civil society is premised on individual freedom and responsibility, and on limited and accountable government. It protects the individual from the intrusive state, and connects the individual to the larger social and economic order.

e) A simple methodology to analyse the kind of role that the citizens and government need to play is given below:

Is it possible for citizens to solve the problem themselves, if properly guided by government? Yes/ No.

* If No, then is there any logic or evidence which says that the government will do a much better job? Yes/ No.

If Yes, then give the job to government.

If No, give it back to the citizens.

* If Yes, then leave it with the citizens straight-away.

f) Ultimately, this is an empirical question. In practice (as opposed to theory), do imperfect markets work better than imperfect governments. In practice, do competition, incentives to effort and innovation, and survival of the fittest in the marketplace - however flawed the market may be - work better than bureaucrats supposedly pursuing the public interest?

g) Clearly, there is a role for government not only in the basic tasks of governance, but in economic activity. But that role is very, very small. There is much to be said in favour of an intelligent, small government, applying strong economic incentives to get the best results out of the people.

5. Orientation toward action, using the scientific attitude.

a) That we have no time to listen to a discourse on India's problems, or whence they came about, but only in finding the best solution to those problems, TODAY.

b) A major solution to the problem is perhaps as follows: promoting competition in the production of the best goods in the world. This means that people need to be provided opportunities commensurate with their effort, and suitable incentives to compete.

c) That regardless of the purpose for which one intends to use it, wealth must first be produced. Whatever it takes to convert India into a land of entrepreneurs, will be done. Wealth creation is the supreme objective. The only logical way to rid of poverty is to make everyone richer.

d) That communism and socialism are defective in their fundamental understanding of human motivation and incentives and hence people have to be persuaded to throw out these theories of social organization. Even Germany and Britain (nations associated with Marx) cared not for this fake intellectualism which has only brought ruin to each peoples who embraced these utopian theories. We can respectfully bid goodbye to these failed views of human behaviour, and focus on the scientific study of human beings, instead.

Article 5: FLAG

The Flag of the Party shall comprise of three vertical stripes – coloured deep blue, white, and gold, in the ratio of 1:1:1 with the election symbol of the Party in red in the middle of the white portion equal to half of its size. The blue portion will be near the mast.

Article 6: ELECTION SYMBOL

The election symbol of the Party shall be “the Victory Symbol.”

**Part 2
Membership**

Article 7: MEMBERSHIP

1. Any citizen of India of the age of 18 or over, residing anywhere in the world, who accepts the Constitution of this Party, which includes the right to amend this Constitution as per prescribed procedure, through a written declaration in the format as may be prescribed, and who agrees to pay regularly the Party membership dues as may be prescribed from time to time, and to carry out decisions of the Party as duly authorized, shall be eligible for Party membership, provided that he or she is not a member of any other political party.
2. Each member shall choose *one* place in India from where he/she shall be active as a member, and shall furnish all addresses/ phone numbers/ e-mail where he/ she can be contacted. A member will have to apply in writing to the Parliamentary Committee concerned for a change of place if he/she wishes to be active from some other place in due course. Such change will involve removal from the membership register of the earlier place.
3. At the commencement of the Party, the three-year membership fee shall be Rs.100 per member, to be payable along with a Rs.50 fee for an ID card. The fee will be reviewed every three years.
4. The subscription received from the members shall be distributed in the following proportion: National 10% State 15% Parliamentary 25% Legislative 25% Mandal 25%.

Article 8: MANAGEMENT OF MEMBERSHIP

1. Membership forms of the Party shall be made freely available on the internet or from each Local / Mandal/ Assembly/ Parliamentary Committee office. Membership forms shall also be issued in the form of books containing 10 forms each, to be issued to each member who desires to enrol other members.
2. The sole authority for acceptance of any membership shall be the President of the respective Parliamentary unit who shall ensure authenticity of the applicant through field enquiry.
3. Each member will be allotted a unique serial number. The number will begin with the Parliamentary Constituency number, and will be followed by the Legislative Assembly number, and other numbers as approved by the Parliamentary committee concerned.
4. Each member of the Party will be issued an ID card containing the photograph of the member, to be signed by the President of the Local Committee concerned after verification.

Article 9: REGISTER OF MEMBERS

1. The Parliamentary Committee shall maintain an up-to-date list, called Register, of members Assembly-wise, as hardcopy and softcopy on the computer, and furnish a hardcopy, duly certified by the President, to the State unit on request. Any unit which fails to comply with such request within 15 days shall be liable to stringent disciplinary action.
2. The register so prepared shall contain the serial number, full name, father's or husband's name, age, address, e-mail address, and the date of enrolment of every member as well as the year and earlier serial numbers of membership on earlier enrolment/s in the Party.

3. The full name, father's name, and e-mail address of all members will be displayed on the internet web site of the Party, updated as on the 1st of January of a given year.
4. A detailed statistical proforma of the total number of members, each local committee and Mandal-wise, Assembly-wise would be sent to the State office every three months. While preparing the proforma the number of those members who have died or resigned or were removed during the term would also be mentioned and their number reduced from the total list.

Article 10: SCRUTINY OF REGISTER OF MEMBERS

1. A copy of the Membership Register of each Mandal will be sent to the concerned Mandal Committee for inspection by any members of the Party on production of ID card.
2. All complaints regarding irregularities in the Membership Registers shall be resolved by the concerned Parliamentary/ State Committee and the records rectified accordingly.
3. If a member is not satisfied with the decision of the Parliamentary Committee, he/she shall appeal for intervention to the State unit.
4. If large scale irregularities are reported, the State/ National Executive may take such action as it considers necessary.

Part 3 Organisation and Inner Party Democracy

Article 11: ORGANISATIONAL STRUCTURE

A) For purposes of decision-making and operation, the Party shall be organized into the following constituents.

1. National level:
 - (a) The Plenary or Special Session of the Party;
 - (b) The National Council; and
 - (c) The National Executive.
2. State level:
 - (a) State Councils; and
 - (b) State Executives.
3. Regional Committees
4. Parliamentary Committees.
5. Assembly Committees.
6. Mandal Committees.
7. Local Committees.

B) At the initiation of the Party and until such period as may be necessary, levels below the State shall be waived and *ad-hoc* arrangements made depending upon the number of members.

Article 12: AREAS OF OPERATION

1. *State units*: The State units of the Party will conform in area to the States and Union territories mentioned in the Constitution of India.
2. *Regional units*: The area of operation, powers and functions of such committees shall be defined by rules made by the National Executive.
3. *Parliamentary Committees*: Area of a Parliamentary Committee shall be the same as of the Parliamentary Constituency in the concerned state.
4. *Assembly Committees*: Area of an Assembly Committee shall be the same as of the Assembly Constituency in the concerned state.
5. *Mandal Committees*: The area of the Mandal Committees will be determined by the State Executive concerned. No Mandal Committee shall have more than 50,000 population.

6. *Local Committees:* The area of the Local Committees will be determined by the Parliamentary Committee concerned. No Local Committee shall have more than 5000 population.

Article 13: LOCAL COMMITTEE

1. A Local Committee will be formed once at least 40 members have been achieved in the given area. Where the population of the area is less than 2,500, the number of members required shall be at least 20.
2. The Committee shall comprise 11 members, elected directly simultaneously at one place by *all* the members from the area who are present. Since members could also be living outside the area, notice shall be issued by the Parliamentary unit two months ahead of the elections.
3. The President of the Local Committee shall then be elected by its members after two weeks through a separate election.
4. Each member of the Local Committee shall pay a Term Fee equal to 10 times the membership fee of the Party within 3 days of being elected.
5. The President will appoint a Vice-President, one Secretary, and one Treasurer from amongst the members of the Committee who have paid their Term Fee, on the 4th day after election.
6. Term Fees will be retained at the Committee for office management.

Article 14: MANDAL COMMITTEE

1. The Mandal Committee shall consist of not more than 15 members, elected simultaneously at one place by the members of the respective Local Committees.
2. The President of the Mandal Committee shall then be elected by its members after two weeks through a separate election.
3. Each member of the Mandal Committee shall pay a Term Fee equal to 20 times the membership fee of the Party within 3 days of being elected.
4. The President will appoint two Vice-Presidents, One General Secretary, One Treasurer and Two Secretaries from amongst the members of the Committee who have paid their Term Fee, on the 4th day after election.
5. Term Fees will be retained at the Committee for office management.

Article 15: ASSEMBLY COMMITTEE

1. An Assembly Committee shall consist of not more than 19 members, elected simultaneously at one place by the members of the respective Mandal Committees.
2. The President of the Assembly Committee shall then be elected by its members after two weeks through a separate election.
3. Each member of the Assembly Committee shall pay a Term Fee equal to 50 times the membership fee of the Party within 3 days of being elected.
4. The President will appoint two Vice-Presidents, One General Secretary, One Treasurer and Three Secretaries from amongst the members of the Committee who have paid their Term Fee, on the 4th day after election.
5. Term Fees will be retained at the Committee for office management.

Article 16: PARLIAMENTARY COMMITTEE

1. Each Legislative Committee shall elect two members each on the same day for the Parliamentary Committee, provided that these elected members shall include a minimum number

of persons belonging to Scheduled Castes/Tribes, equal to the Assembly seats reserved for them from that constituency.

2. The President of the Parliamentary Committee shall then be elected by its members after two weeks through a separate election.
3. Each member of the Parliamentary Committee shall pay a Term Fee equal to 100 times the membership fee of the Party within 3 days of being elected.
4. The President of the Parliamentary Committee shall nominate from amongst the members of his Committee who have paid their Term Fee, on the 4th day after election, not more than Three Vice-Presidents, One General Secretary, One Treasurer and not more than Four Secretaries.
5. Term Fees will be retained at the Committee for office management.

Article 16: STATE COUNCIL

1. Each Parliamentary Committee, within one week of its formation, shall elect two members for the State Council, provided that these elected members shall include a minimum number of persons belonging to Scheduled Castes/Tribes, equal to the Parliamentary seats reserved for them from that constituency.
2. Additionally, a State Council shall consist of all MLAs and MPs of the Party from that state and all former Presidents of the State Executive.
3. Each member of the State Council who does not become a member of the State Executive shall pay a Term Fee equal to 150 times the membership fee of the Party within 3 days of formation of the State Executive.
4. Term Fees will be transmitted to the State Executive.

Article 17: STATE EXECUTIVE

1. Members of the State Council will elect, simultaneously at one place, and within one week of the formation of the Council, not more than 41 members to the State Executive.
2. The President shall then be elected by members of the State Executive after two weeks through a separate election.
3. Each member of the State Executive shall pay a Term Fee equal to 250 times the membership fee of the Party within 3 days of being elected.
4. The President will appoint not more than Three Vice-Presidents, Two General Secretaries (One of them to be General Secretary–Organization), Three Secretaries and One Treasurer from amongst the members of the Executive who have paid their Term Fee, on the 4th day after election.
5. Term Fees will be retained at the Executive for office management.

Article 18: THE STATE SHADOW CABINET

1. Each member of the State Executive shall choose one out of the twenty areas listed in Schedule I to this Constitution and be part of the State Shadow Cabinet. The President shall allocate Shadow Portfolios to each member keeping their preferences in mind. The member of the Shadow cabinet shall then specialise in that area.
2. The Shadow Cabinet will bring out an annual report critiquing the existing policies of the State.

Article 19: STATE ADVISORS

1. The President of the State Executive, on the recommendation of the shadow cabinet, will appoint 20 advisors from outside the Party, who will work voluntarily with the Shadow Cabinet to research and prepare policy agenda for the shadow cabinet. These would preferably be senior academicians or business executives of Indian origin.

2. Advisors will be paid an honorarium to be determined by the State Executive.

Article 20: NATIONAL COUNCIL

1. Each State Council, within one week of its formation, shall elect members for the National Council equal to twice the number of Lok Sabha seats allocated to that State, provided that these members shall include a minimum number of persons belonging to Scheduled Castes/Tribes equal to the number of seats reserved for them from that State.
2. Additionally, the National Council shall consist of all the Party Members of Parliament, all former National Presidents, and members (not more than 20) nominated from under-represented areas by the National President.
3. Each member of the National Council who does not become a member of the National Executive shall pay a Term Fee equal to 150 times the membership fee of the Party within 3 days of formation of the National Executive.
4. Term Fees will be transmitted to the National Executive.

Article 21: THE NATIONAL EXECUTIVE

1. Members of the National Council will elect simultaneously and at one place, not more than 75 members to the National Executive, within two weeks of formation of the Council.
2. The President shall then be elected by members of the National Executive after two weeks through a separate election.
3. Every member of the National Executive shall pay a Term Fee equal to 1000 times the membership fee of the Party within 3 days of being elected.
4. The President will appoint not more than seven Vice-Presidents, not more than five General Secretaries (One of these to be General Secretary–Organization), One Treasurer and not more than Seven Secretaries from amongst the members of the Executive who have paid their Term Fee, on the 4th day after election.
5. The internet web site of the Party will be maintained by a completely independent organization approved by the National Executive.

Article 22: THE NATIONAL SHADOW CABINET

1. Each member of the National Executive shall choose one out of the twenty areas listed in Schedule II to this Constitution and be part of the National shadow cabinet. The President shall allocate Shadow Portfolios to each member keeping their preferences in mind. The member of the Shadow cabinet shall then specialise in that area.
2. The Shadow Cabinet will bring out an annual report critiquing the existing policies of the country.

Article 23: NATIONAL ADVISORS

1. The President of the National Executive, on the recommendation of the shadow cabinet, will appoint 40 advisors from non-party members who will work voluntarily with the shadow cabinet to research and prepare policy agenda for the shadow cabinet. These would preferably be senior academicians or business executives of Indian origin.
2. Advisors will be paid an honorarium to be determined by the National Executive.

Article 24: THE PLENARY OR SPECIAL SESSION OF THE PARTY

(A) *Plenary session*

1. The following from below shall be invited to attend the Plenary Session :
 - (a) All members of the National Council;
 - (b) All members of the State Councils;
 - (c) All members of the Party in Parliament;

- (d) All members of the Party in State Legislature; and
 - (e) Any other category of members agreed upon by the National Executive for the Session.
 - 2. A Plenary Session of the Party shall be held once each year at such time and place as may be determined by the National Executive.
 - 3. The National President shall preside at the said session.
 - 4. Proof of despatch of notice by ordinary registered post shall be considered as proof of invitation.
- (B) *Special Session*
- 1. In addition to the annual Plenary Session, any number of Special Sessions of the Party can be held if the National Executive so decides or if at least 100 members of the National Council jointly make a request to the National President to convene such Session for discussing an agenda specified in the request.
 - 2. All members of the National Council shall be invited to the Special Session.

Article 25: POWERS AND JURISDICTION

- 1. All ordinary decisions taken at a Plenary Session or a Special Session by ordinary majority shall be binding on all members and units of the Party.
- 2. The National Council shall be the highest policy making body of the Party.
- 3. The National Executive shall be the highest decision making authority of the Party. Every power not specifically vested in any other organ by the Constitution or by specific decisions of the Plenary Session shall be exercisable by the National Executive. It shall lay down rules for carrying out the functions of all units and organs. It shall frame rules for the maintenance of funds which will be audited and approved annually. It shall be the duty of the National Executive to allocate the powers of all other units and organs, to create machinery for holding elections and for settlement of disputes therefrom.
- 4. All other organs and units shall perform such functions and carry out such duties in their respective areas as may be determined by the National Executive.

Article 26: REQUISITIONED MEETING

- 1. The number required for making a quorum for the Executive/ Committee or Council meetings will be necessary for making a joint representation to the concerned President specifying the subject for which a requisitioned meeting is asked for.
- 2. On receipt of such a requisition, a Committee or Executive meeting shall be called within ten days and a Council meeting within one month.

Article 27: CENTRAL ELECTION COMMITTEE

If and when the Party is registered by the Election Commission, the National Executive shall set up a Central Election Committee consisting of 11 members elected by the National Executive, as per rules, for the purpose of making final selection of candidates for the State Legislatures and Parliament and conducting election campaigns.

Article 28: STATE ELECTION COMMITTEE

By framing necessary rules the State Executive shall elect a State Election Committee of not more than 15 members :

- (a) To propose names of Party candidates for Legislature and Parliamentary seats from the State to the Central Election Committee;
- (b) To make final selection of Party candidates for the various Local Body Elections, Co-operative institutions and the like; and
- (c) To conduct election campaigns in the State.

Article 29: QUALIFICATIONS TO BE A PARTY CANDIDATE

The National Executive shall prescribe a general format for application to be a candidate for elections on behalf of the Party. It will require furnishing of an asset statement and income tax statements of the past 3 years, proof of Party experience of one year, proof of financial solvency, and proof of experience in public speaking and administration. An undertaking will have to be made that no charges framed by a court of law in any criminal case are pending against the applicant.

Article 30: DISCIPLINARY ACTION

1. Disciplinary Action Committees of not more than 5 members will be constituted by the National and State Executive respectively at the National and State levels. These Committees shall draw their own procedures.
2. A State Disciplinary Action Committee can take action only against units subordinate to it and individuals other than Members of the National Council and Members of Parliament.
3. On receipt of a complaint for breach of discipline, the National President or the State President, if he so decides may suspend an individual or a Unit. Breach of discipline includes the following :
 - (a) Opposing the official candidate of the Party in elections.
 - (b) Wilfully disobeying instructions or orders passed by a competent authority of the Party.
 - (c) Taking a Party dispute to any other agency outside the Party, and in particular, acting in a way calculated to lower the prestige of the Party or carrying on public propaganda.
 - (d) Collecting funds for the Party unauthorisedly, misusing the Party or indulging in malpractices in enrolment of members or in the conduct of Party elections.
4. The DACs shall in particular take strong action against any public functionary such as Minister belonging to the Party and found to prima-facie guilty of corruption and mis-use of power.
5. No final decision for breach of discipline shall be taken against any individual or a Unit without an opportunity being given to the individual or Unit concerned to explain and answer such charges as are made against it or him/her.
6. The State President will forward the said complaint alongwith the explanation received thereto by the individual or the Unit to the Disciplinary Action Committee which will submit its report to the President in not more than two months.
7. The State President will ordinarily take action consistent with the recommendation of the Disciplinary Action Committee within one month. But if he so desires he may refer the said report for the consideration of his Executive within one month and thereafter action will be taken according to the decision of the Executive with in one month.
8. Any disciplinary action at the State level shall be reported to the National President within a week of taking such action.
9. Any Unit or member aggrieved by the disciplinary action taken by the State Unit may go in appeal within 15 days to the Central Disciplinary Action Committee which shall be disposed off within two months. But any appeal against the decision of a State Executive will be considered only in the next meeting of the National Executive.
10. Any member contesting election against the official candidate of the Party will be summarily expelled from the Party by the State President or the All India President. The State President shall intimate the appellent about the decision taken on the report of the Disciplinary committee within one month.

Article 31: SITTINGS

1. Sittings of the various Units of the Party shall be held at least as under :
 - * National Council and State Council—Once every Year.
 - * National Executive and State Executive—Once every three months.
 - * Parliamentary, Regional and Assembly Committee—Once every two months.
 - * Mandal and Local Committee—Once every month.
2. In case no meeting of a Regional, Parliamentary or a Mandal Committee is held even once in six months, the Unit will automatically stand dissolved. If a Unit becomes inactive, the State Executive will have the power to dissolve the Unit upto the Parliamentary level after giving it an opportunity to explain. The State President will nominate an ad-hoc body to look after the work of the dissolved Unit. Normally, elections, will be held within months of the ad-hoc arrangement. But, if even after six months a duly elected unit is not formed, the earlier announced ad-hoc body shall be replaced by another ad-hoc arrangement.

Article 32: NOTICE FOR SITTTINGS

	Ordinary	Emergency Meeting
Local Committee	5 days	2 days
Regional and Mandal	10 days	3 days
Parliamentary Committee	15 days	5 days
State Executive	21 days	7 days
National Executive	21 days	7 days
State/National Council	40 days	10 days

Article 33: VACANCIES

1. Members absenting without approval for three consecutive meetings of their Unit will be liable to be removed by a resolution of the concerned Unit.
2. President of a Local, Mandal, Parliamentary or a Regional Committee can be removed by a resolution passed by a 2/3 majority of the members present and voting in a meeting of the Unit concerned. Provided a written notice signed by not less than half of the members of the Committee is sent to the President of the concerned Higher Committee, on receipt of which he will nominate an office-bearer/member of his committee to call an emergency meeting of the lower Committee under the nominee's chairmanship where the notice will be taken up.
3. A President can remove an office-bearer nominated by him only after a motion to the effect is adopted by his Committee.
4. The All India President or a State President can be removed by a resolution passed by a 2/3 majority of the members present and voting at a requisitioned meeting of the National or the State Council as the case may be.
5. To fill vacancy in any Committee or a Council the remaining elected members of that body will be entitled to fill the vacancy.
6. Vacancy of the President of any Unit will be filled in the same manner as was done originally, till then an ad-hoc appointment will be made by the President of the higher body who in turn will nominate his office-bearers from amongst the members of the existing Committee/Executive.
7. No post will remain vacant for more than 6 months.

Article 34: QUORUM

1. Quorum for all Committee/Executive meetings shall be one-third of the strength of the Unit or ten, whichever is less.
2. Quorum for all Council meetings will be one-tenth of the total strength of the Council.

3. A meeting adjourned for lack of quorum will meet again after the same lapse of time at the same place and time to transact the same business. Provided that there shall be no need of a quorum for an adjourned meeting.

Article 35: OFFICE BEARERS

1. The term of each Council/Executive/Committee and all office-bearers and members thereof shall be three years.
2. No Party member shall hold a position of profit in government and an executive position in the Party at the same time.
3. No member will hold the post of a President consecutively for more than one term.
4. At the National, State and Parliamentary levels only a whole time worker shall be appointed as General Secretary (Organization). He/she will be eligible to contest any Party election only two years after his/her relinquishing office.

Article 36: FUNCTIONS OF THE OFFICE-BEARERS

A) PRESIDENT

1. To Preside over the sittings of the concerned Committee or Council or Executive.
2. To nominate, as per the Constitution, members/office-bearers to his Committee/Executive.
3. To allocate the work and duties among the office-bearers and members of the Committee/Executive.
4. To exercise any power of his Executive/ Committee, in an emergency, when it is not in session provided that any such action will have to be approved in its subsequent meeting.
5. To take part in talks with other Parties and to nominate representatives from the Party for the work.
6. To decide the date of the Committee/ Executive meeting and to convene the meeting as per rules of the Party Constitution.
7. To appoint Presidents for the various Cells of the Party and to co-ordinate their functioning.
8. To conduct workers Study Camps and Conferences as organised by the Committee/Executive.
9. To guide the Committee/ Executive in implementing programmes for furthering the organisational and constructive activities of the Party.
10. The Presidents of the various units are authorised to spend upto the following amounts on their own :
 - * President of Local Committee: upto Rs. 50/-
 - * President of Mandal Committee: Rs. 200/-
 - * President of Parliamentary and Regional Committee: upto Rs. 1000/-
 - * President of State Executive: upto Rs.10,000/-
 - * National President: As considered advisable If under unavoidable circumstances, amounts more than authorised are spent, it would be essential to get the necessary approval at the very next meeting of the Committee/Executive.

B) VICE-PRESIDENT

1. To carry out the responsibilities as directed by the President.
2. In the absence of the President the Vice-President specially authorised by the President in writing, will preside over the meeting. If no such direction has been made, any one of the Vice-Presidents, and if all the Vice-Presidents are absent then the Committee/Executive can call on any one of its members present to preside.
3. In place of the President, the Vice-President directed by the President will discharge all the functions and powers of the President.

C) GENERAL SECRETARY

1. To convene meetings as per the instructions of the President, issue circulars and agendas as well as to organise the meetings.
2. To maintain the minutes of the meeting and to circulate it among members.
3. To organise programmes, meetings, conferences, agitations and to look after publicity.
4. To run the office of the Party and make necessary appointments with the consent of the President.
5. To execute the decisions of the President and the Committee/Executive.

D) SECRETARY

To discharge the functions allocated by the President and to help the General Secretary, if any, in his duties.

E) TREASURER

1. To maintain the income and expenditure account of the Committee/Executive.
2. To get the accounts examined/audited and to report the same to the Committee annually.
3. To audit the accounts of all subordinate units.

Article 37: PROCEDURES FOR ELECTION OF OFFICE-BEARERS

1. Detailed Rules for Conduct of Elections and of disposal of objections or appeals therefrom will be framed by the National Executive.
2. Final publication of the electoral roll shall be done at Parliamentary level.
3. For Party elections, to be held without fail every three years, the National Executive would prepare the time-table and circulate the updated rules one year in advance.

Part 4
Funds & Transparency

Article 38: PARTY FUNDS

1. Fund collection receipts will be printed at the State and National level.
2. Each receipt will be duly numbered and issued in books containing 20 receipts.
3. Each receipt shall bear a facsimile signature of the concerned Treasurer. The counterfoil will be signed in full by the member who collects the money.
4. Bank Account will be opened in the name of the Party upto the Local Committee level to be jointly operated by any two amongst the Treasurer and the President or the General Secretary of the Unit.
5. Amount of a purse presented to a State leader shall be divided as under: Local: 25 p.c., Mandal 15 p.c. Parliamentary 30 p.c. State 30 p.c. In case where a purse has been presented to a Central Leader, 1/2 would be remitted to the States.
6. Accounting year shall be from First April. Annual accounts of each Committee will be audited by a person appointed by a resolution of the concerned Committee and approved annually.
7. The Party shall never take any funds from convicted criminals or from criminal syndicates or corrupt officials or others. Anyone who collects such funds will be referred to the respective DAC.
8. All audited reports shall be placed on the internet and any citizen of India who wishes to inspect Party accounts shall be able to do so subject to procedures prescribed.

Part 5
Rules & Amendments

Article 40: AMENDMENT OF THE CONSTITUTION

1. The Constitution can be amended, altered and added to, only by the National Council of the Party through a 2/3rd majority of those present and voting.
2. In exceptional circumstances, the National Executive may, by unanimous decision, decide to alter any provision - and that will come into operation immediately, subject to its subsequent ratification by the National Executive.

Article 41: POWER TO MAKE RULES

1. The National Executive through 2/3rd majority, has the power to make and amend rules as and when required, under the specific provisions of the Constitution.

THE PEOPLES' MANIFESTO*

Frontispiece

“When a good man or woman runs for political office, support him or her with your time and

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Chapter 1

The Vision: India -- the land of 400 Singapores

National Competitiveness

1. **Wealth:** We shall make India the most prosperous nation in the world.¹⁰In the process we shall completely banish poverty from the face of India. In particular, we shall triple the per capita income of Indians within 10 years from the moment these policies are implemented.
2. **Knowledge:** India shall once again become capable of contributing to human learning and peace, and be suitably honoured for its contributions.
3. **Physical power:** Indians have to be strong and fast, capable of winning in competitive sports and other physical endeavours.

National Quality of life and Democratic governance

4. **Human rights:** We will provide each individual with political, social, and cultural rights indispensable for living with dignity and for the full development of that individual's personality.
5. **Consensus:** We will work toward a society where the best policies are chosen through debate, and a consensus built around them.
6. **Governance:** We will provide the highest quality of governance to the people, guaranteed integrity, and the best democratic practices.

* Prepared by some People of India through participation in the ongoing and perpetual National Debate on System Reform since April, 1998at www.indiapolicy.org. This is Version 2000.1 (7th of February, 2000). Compiled by Dr. Sanjeev Sabhlok.

¹⁰ This process would take about 100 years of good policy and a great national determination.

Chapter 2 The Manifesto

PART I GOOD GOVERNANCE

Since 50 years, India has seen neither good governance nor good economic policy. Good governance needs an explicit enunciation of the fundamental changes needed.

1. Enhancing Individual Autonomy and Participatory Democracy

A radical democratization of India is the need of the hour. Autonomy of individuals and by implication that of all organizations is a basic democratic principle. The interests of all, rich or poor, illiterate or the “elite,” will be protected and given a platform to be heard. Citizens will be provided the opportunity to participate actively and directly in the decision making process - wherever possible, technologically, and economically. This participation would better enable each citizen to appreciate the connection between the public and private spheres. Citizens would then be better able to assess the performance of representatives at the national level. To operationalise this, the following steps will be taken:

- a) **Freedom of Expression:** Control of the media will be released back to the people. Everyone will be entitled to operate their own broadcasting service. Public broadcasting can continue for publicity of programmes and schemes of government and encouragement of traditional art forms.
- b) **Freedom of Information:** Except for state secrets relating to critical matters of defence of the country, and those relating very clearly to the internal security of India, nothing else shall be considered to be an Official Secret. Each citizen would have the right to directly call for a copy of any non-secret record maintained by government on that citizen. One certified copy of each such record would have to be provided at cost .
- c) **Local Boards:** Supervision of government would pass back to the citizens. Each public office would have a Local Board, which would supervise its activities. The Local Board would be constituted randomly from citizens who are served by that organization, and would include at least two members of the Press.
- d) **Active Citizenship and Debate:** Bodies and groups which debate public policy on all possible topics, would be encouraged since active citizenship, not mere literacy, is the desired goal.

2. National Reconciliation

The creation of a sense of fraternity amongst the diverse peoples of India is a task long overdue. This needs our sitting down together and discussing things. To do this,

- a) Civic institutions and think tanks in all fields, which interact with the people as well as with counterparts in other countries, will be fostered.
- b) The spirit of voluntarism will be actively promoted, thus enhancing social capital.

3. Electoral and related reform

- a) **Criminal Background check:** Candidates must furnish to Returning Officers details of any criminal cases they are involved in while filing applications for candidature. A short enquiry would be carried out by the Returning Officer at this time to verify this information.

- b) Electoral Expense laws: Elected representatives should not have to start their careers with a lie. Currently, almost all of them file false statement of electoral expenses. Electoral laws will be modified to encourage honesty. There should be no restrictions on who can donate to a political campaign or how much can be spent by a candidate or party. The only requirement should be that donations to political parties be fully documented and publicly available for inspection on the internet. The Election Commission should have the power to dissolve parties which do not disclose their funds to the People completely. Entirely meaningless provisions of law such as the token fine of Rs. 500 for making illegal expenses on elections under Section 171-H of the Indian Penal Code will be reviewed.
- c) Eliminating the nexus between politicians, bureaucrats and criminals: The goal of bringing transparency in the process of elections is to ensure that decisions by policy makers are taken on merit after due process and consideration of all sides. . Citizens groups, fully equipped with the relevant technological tools, must take up the responsibility of monitoring closely all actions of politicians and businesses and criminal syndicates and swiftly come down upon them if there are cases of quid pro quo detected. Such citizens groups would receive tax-exempt donations as well as matching grants up to a certain amount, in order to shift the weight of democracy toward the citizens.
- d) Compensation of Representatives: The current amount and methods of compensation to representatives ensures that only the corrupt enter the system. Representatives of the people will be paid liberally to attract the best and most experienced people from India into governance. The compensation paid out to an MP would be in the range of Rs.20 lakhs per year, and an MLA would get around Rs.5 lakhs per year, fully taxable under the usual laws. Apart from free housing (for purposes of security) at the state or central capital, no other hidden perquisites will be provided. Free travel, telephones, furnishings, vehicles, loans, pensions, and other perquisites would be completely withdrawn.
- e) Assets of Representatives: All elected representatives will be required to furnish a copy of their income tax statements, annually, on the internet, as well a statement of their assets.
- f) Protection of Whistle-blowers: Bureaucrats would be given strong incentives to document corruption by their seniors as well as elected representatives (including digital or taped evidence). They would have the power to present this evidence to the Lok Pal who would protect the bureaucrat as well as reward such effort.

4. Parliamentary Reform The voting records of each and every MP/MLA on each and every Bill would be publicly available on the internet, so that citizens can determine how well their interests are being represented by the said representative.

5. Defence

Constant preparedness is needed to keep our defence forces in the state of readiness to defend our borders. Availability of sufficient funding has to be ensured for investment in personnel, modern weapons, and in suitable technology in accordance with current military needs.

6. Foreign Policy

- a) We need to discover common interests with nations that have similar democratic norms of government. This would include extraditing criminals from other nations who are

sought by their police, shutting down operations of foreign terrorists on Indian soil, providing troops for the International Court of Justice's enforcement operations, apart from promoting competitive trade.

- b) We advocate global disarmament by all nations and the banning of all weapons of mass destruction. The sole purpose of creating a new nuclear weapon must be to help the world understand the futility of trying to hold on to existing power structures in perpetuity, and to reiterate that everyone in the world will be better off with complete disarmament. The weapons that India has developed should be completely - and simultaneously - destroyed along with all other nuclear weapons in the entire world. India would never be the first to use nuclear weapons in the event of a conflict with another country, and would never use a nuclear threat to cow down other nations
- c) We will take steps to obtain permanent membership for India in the Security Council of the United Nations.
- d) We will cooperate with neighbors in sharing resources linked to waterways, and thus promote trade and harmony in the region.
- e) We will protect the interests of Indian citizens abroad very firmly.

7. Law and Order

- a) Vigorous efforts need to be made to raise the morale, competence, ethical behaviour and responsiveness of the Police, both through monetary incentives and improved training. The educational qualifications for recruitment into the Police force will be enhanced. The recommendations of the National Police Commission will be implemented. Criminal records will be modernized and computerized. Steps will be taken to improve the public-Police interaction. Severe penalties will be awarded to Police officials found using third degree methods.
- b) The existing nexus between many politicians, bureaucrats and the underworld, has to be completely destroyed. Apart from electoral reform, the recommendations of the Vohra Committee report as well as the recommendations of CVC will be implemented, and all possible steps taken to end political crime in India.

8. Administrative Reforms

- a) Not only the elected, but even the non-elected public officials of India are paid by taxpayers and are accountable to the Indian people for their deeds being in abidance by the laws laid down. The administration will be closely monitored as well as given a free hand.
- b) Bureaucrats in free India will be Citizen bureaucrats. Speaking out and participating in the debates on good governance would be encouraged.
- c) "Private" secrets of political leaders whereby they bring undue pressures on the bureaucracy are not covered under any protection, and must be widely disseminated. Bureaucrats will be encouraged to not watch -- as helpless spectators -- the decadence they observe around themselves. To allow a corrupt Minister to linger on in power through negligence to build a proper case, is a crime and would be treated as such. In order to protect discipline, though, the bureaucrats would have to report instances of misdemeanour by elected representatives to the Lok Pal with full details who would be

bound to release all details on the internet and cause necessary investigations publicly and in full view of the media.

- d) Jobs at the levels of Additional Secretary and above in the Government of India would be delinked from the permanent civil service. These jobs would be filled from any source, on a contractual basis, and on the basis of the merit of the person concerned.
- e) All these administrative positions would be filled by nomination of the person by the elected executive and subsequent screening and confirmation hearing and approval by the Lok Sabha or related State Assemblies.
- f) Salaries of bureaucrats at all levels would be made comparable with private sector salaries for similar jobs, subject to their succeeding in the reduction in the many types of redundancy currently found in government. Indeed, bureaucrats would be rewarded in many ways for reducing the many needless tasks currently performed by government, and hence the size of government. They would also be rewarded for working out institutional arrangements and processes that encourage competitiveness in departments, while reducing adversary relationships among related multiple agencies.
- g) Decentralization and demystification of all tasks of government would be implemented, such as in the case of public budgeting.

9. Citizens' ID Numbers

Each citizen would receive a uniquely numbered citizen identification card. This will help keep track of total government benefits provided to each citizen. This can also help to extend benefits which are not present today.

10. Sports

The key responsibility for the development of sports would lie with the people themselves, in terms of forming organizations for the development of competitive sports.

- a) Firms would be encouraged to use sports for marketing purposes. Wherever necessary, government would assist through provision of matching contributions for stadia and other infrastructure.
- b) Import duties would be lifted from equipment used for competitive sports.

PART II ECONOMIC POLICY

Minimally regulated capitalism

Over the last fifty years, governments in countries with much fewer natural and human resources than India have provided far better opportunities for their citizens. Data conclusively point to the fact that rapid economic growth tends strongly to reduce poverty. What is therefore needed is the creation of an environment suitable for the generation of rapid economic growth. Instead, the governments in India have attempted to control, by nationalization and other methods, the major production and financial sectors of economy, in the course of which our very limited resources have been squandered like water down a drain. This would have been somewhat tolerable but for the fact that our design of governance foisted upon us -- in a large number of cases -- some of the worst individuals in India's history as our rulers. And so, unimaginable poverty and squalour is the lot of the common man 50 years after independence while many of our leaders live like Kings with assets completely disproportionate to their known sources of income. This mix of socialism and criminal corruption has caused immense harm to us and will take many, many, decades of serious hard work to undo.

While we do not promote what is known as capitalism blindly, a first step has to be taken now toward changing the economic system by removing the offending word "Socialistic" from the Preamble of our Constitution. We need to shift to minimally regulated capitalism and honest, good governance. This will involve the following.

1. Privatization

We have to privatise nationalised and other public sector industries, especially in the non-defence related sectors in the first phase, so that these organisations are brought in check by market forces. This will give people better control over their destiny. It will promote competitive and risk-taking behaviour which is necessary if the output of the nation is to grow. In particular, government ownership in the following sectors would be fully dissolved, or sharply reduced: telecommunications, media (television, radio and print), all metal production and associated industries, power generation and distribution (state electricity boards), automobiles, cement industry, banking, insurance, fertiliser production, city waste management services, etc.

2. Private ownership

The principle of private ownership of everything - land, property and mental output (intellectual property) - has to be very strongly and clearly defined and protected. All ownership should of course lapse with time, such as the passing away of a person (through stringent inheritance laws), or a within a certain number of years. The Coase solution would be made the basis of handling pollution and other externalities. The patents machinery in India will be tremendously strengthened and intellectual property rights vigorously enforced in order to support innovation.

3. Price deregulation

We abhor the concept of price regulation by government in any productive activity. Government does not possess nor can ever possess the local knowledge that is critical to the determination of a price. Even if it were to possess such knowledge, its officials would not have the necessary incentives needed to fix prices justly, even if they were the most honest officials around. Prices of all legally traded goods should be fixed through the laws of supply and demand.

4. Deregulation of industry

Wherever possible, to promote competition, deregulation would be carried out. Internal deregulation would be done before foreign deregulation.

5. Regulation of profiteering

Regulation of monopolistic behaviour would primarily be through promotion of domestic and foreign competition. Wherever necessary, strong regulatory bodies, but very democratic, would be instituted to regulate profiteering if the industry is found incapable of setting its own standards.

6. Labour and Collective Bargaining

The government would not interfere with the wage mechanism of the market, except perhaps to suggest “desirable” levels of minimum wage. It is advances in productivity, not the expansion of unions, that have been responsible for the improvements in earnings and working conditions of the average worker globally. As part of the free-market wage determination process, collective bargaining by firm-specific labor unions will be encouraged. Industry-wide or nation-wide attempts by unions to interfere in the wage bargaining process amount to using oligopolistic or monopolistic power by labor, and will be discouraged.

7. Elimination of futile attempts to “plan” the economy

While we need strong supporting research organizations which will provide relevant information to the Parliament and to the Government, we definitely do not need any intermediary organization which runs “planning” models reeking of futile and economically unjustifiable attempts at centralized planning. The Planning Commission will be closed down, or converted into a much smaller but professional, Research Wing for the Parliament.

8. Independence of Central Bank and monetary policy

The Reserve Bank of India would be made completely independent of control by the executive. The bank will be free to research and implement the best possible monetary policy for India based on the situation at hand. The only focus of the Bank should be to keep inflation in complete check. That is because inflation is the surest way to hurt the lowest earning members of a society. Low real interest rates help boost investment: however, this would only be a secondary objective. Other economic goals, such as employment and growth, should be purely under the jurisdiction of the executive.

9. Financial, Capital, and Foreign Exchange Markets

- a) Modern, well-regulated, forward, futures, and derivatives markets are essential for efficient management of risk, and would be promoted jointly with help from suitably qualified citizens
- b) Measures will be taken to bring back small investors to the capital market by raising the transparency and accountability of listed companies as well as that of capital market intermediaries
- c) A market-responsive exchange rate would have to be put into place, determined by fundamentals of demand and supply. Constraints on hedging of exposure on international markets will be phased out.

10. Prudent fiscal policies

The central and state budgets would be brought into balance and attempts will be made to create a surplus and retire the national debt.

11. Social Safety Net

Due to the unleashing of innovation and creativity consequent to the shift of economic incentives, incomes of individuals can be expected to become higher on average but more variable over the course of a lifetime. While re-training of those who are deemed surplus in a particular sector of the

economy is a desirable objective and should be attempted where possible, it is costly as well as time-consuming. Therefore an optional social safety net in the form of unemployment insurance and social security has to be put into place. This system should be fully-funded rather than pay-as-you-go, with some progressivity built into it.

12. Equity through elimination of poverty

The poor are not all poor because of their “fault,” and the rich are not all rich because they deserved it. A society, to call itself humane in the next millennium, will also have to be equitable. Inequalities of income are a natural, even necessary outcome of a society geared toward the production of wealth. However, poverty is not. The focus of the humane society will have to be to ensure the complete absence of poverty.

While the growth of incomes would substantially bring down poverty, there would remain many cases where direct tax credits and other direct subsidies would need to be applied to those who are unable, for no fault of theirs, to cope with the changed economic environment, or overcome the handicaps created by the current socialistic system and its consequent corrupt governance. Inter alia, subsidized education will be provided to the children of the disadvantaged.

13. Information Technology

Private parties would be involvement in cabling and uplinking. Consumer electronics and semiconductor industries would be particularly encouraged. Private individuals would be allowed to own and operate their own communication satellites. Obstacles such as disproportionately heavy license fee and earmarking of territories for companies would be done away with. Internet telephony would be freely permitted.

14. Agricultural development

Agricultural subsidies would be completely abolished since they have created a corrupt system where funds for the poor do not really reach them. Instead of such palliatives, freedom would be given to farmers to trade commodities globally. Drip irrigation would be encouraged to avoid the impact of failure of monsoons. Private insurance companies will be encouraged to insure crops. Greater use of hydro-resources for irrigation and electricity, and linking up canals will be carried out to provide improved irrigation. Wherever possible, private efforts towards irrigation, including cooperative efforts, would be strengthened.

15. Strengthening the role of the government in provision of public goods

The government needs to focus attention on, infrastructure, urban planning, and the environment, and on the task of regulating, standardizing and providing quality control in the interest of the consumer.

a) Rapid Urbanization: 400 Singapores

The magnitude and quality of urbanization is a sure and foolproof test of economic and social development. Urbanization promotes economic efficiency in all fields of human endeavour by bringing together a critical mass of human beings specializing in various sectors of the economy. A large number of extremely modern and well-planned satellite cities have to be planned around our decaying metropolises which are congested, polluted and dirty from lack of planning. The policy level resistance to urbanization has to go.

There is nothing like a maximum possible size for a city. The USA with less than one third of our population easily supports cities which are larger than the largest in India, today. Therefore quality has to be the focus. We can easily go for three to four times the existing size of most cities, if properly planned. That is where the government has to step

in, not as a builder, but as a promoter of cities through local city governments. We have to create 400 Singapores in India.

b) Infrastructure

The government has a critical role in the promotion and provision of infrastructure, whose benefits are reaped by all, and so, costs have to be borne by most. Resource constraints can be partially met by giving incentives to the private sector to construct and maintain the needed infrastructure. . Where such solutions are not feasible, government should not directly construct and maintain any structure, but sub-contract these services to private vendors through competitive bids There would be very few limits on the potential size of private companies in the infrastructure sector, to allow economies of scale, while promoting competition. The focus would be on the creation of additional capacity, sufficient to meet the highest expected demand at the highest anticipated growth rates of the economy. All direct construction and maintenance activities by government departments or public sector agencies, would be closed down. In all cases the “User Pays Principle” would operate. Nobody -- particularly not the rich-- would be subsidized indirectly. Some infrastructure would also be continued to be built entirely through government subsidy in emergency situations through Test Relief.

c) Environment

While the thinning of the ozone layer is a confirmed fact, there is no consensus on the existence or magnitude of global warming, if any. To use potential global warming as an excuse, by some “environmentalists,” to curb production and consumption in the developing world, is misguided and unacceptable. On the other hand there is a tremendous role for government in minimizing the ill-effects of human activity on the environment, including saving wild life, hazardous waste disposal, and cleaning up of water and air. Stringent standards, equivalent to California standards, will be imposed for this purpose.

d) Standardization and quality control

This is a task long neglected by government. We will strongly revamp these areas to ensure that the quality of the products in the economy is upgraded successively and the consumer is protected from unsafe products.

PART III SOCIAL POLICY

1. Education

Education has many purposes, including skill and awareness building, empowerment, and creating a citizenry willing to participate in nation building. Government can assist by providing the framework needed to ensure that the educational process creates a confident and concerned citizenry. This framework includes:

- (i) Provision of affordable access to the facilities for education.
- (ii) Those who teach our children need to be competent and continually strive to keep themselves informed of the latest developments in their disciplines.
- (iii) Those who create policies and set standards for the education of India have to be answerable to parents, and accountable for their performance to the entire society.

Consistent with the above framework, the following would be implemented.

- (a) 6% of the Gross Domestic Product would be targeted for being spent on education by the nation. As far as possible, parents shall bear the responsibility of educating their children. Various forms of support will be made available to those unable to afford education of their meritorious but poor children, such as need-based loans to attend institutions of higher learning.
- (b) Government schools, colleges and universities shall be abolished and the entire control over schools returned to parents. Teachers employed by government would be terminated and given the first right to be re-employed by the management committee of the schools or colleges they were working with. These will be term-limited appointments which can be reviewed based on performance.
- (c) While government funding of education would continue, it would be given in the form of grants for buildings, and a lump-sum reimbursement of the salaries of teachers, with a much higher reimbursement for those schools and colleges that are located in remote areas. Schools located in the wealthier areas of cities and metropolises would not receive any reimbursement. Continuation of grants would depend upon proper management of the schools/ colleges. The financial conduct of Management Committees shall be audited regularly and transparently. Funds provided by government for education shall be accounted for, and such information made available publicly on the internet and to parents. Panchayats shall appoint supervisors on a contract basis who shall be accountable for the operation of schools within the jurisdiction of the panchayat. An Act to prescribe the form of organization of schools and colleges will be created to ensure good management. Thus, it would be parents who would appoint, pay, and if necessary, terminate the service of teachers.
- (d) Education would be imparted in languages most appropriate to the matter being taught. Education in English shall be encouraged in those disciplines where the competitive interest demands this.
- (e) The creation of new private universities will be encouraged.
- (f) Vocational and technical institutions which are better suited to teach specific topics would be encouraged. Curricula for such programmes shall be based on inputs received from industry.
- (g) Teachers would be compensated, recognized, and rewarded in both material and honorable ways.
- (h) Opportunities shall be made available for teachers to better themselves.
- (i) Participation in adult education programs in areas with a poor track record in education will be encouraged.
- (j) Educational standards shall be established with the full participation of parents at the school level

2. Non-Discrimination

Equality of opportunity is best operationalised in terms of absence of discrimination on the basis of birth or social characteristics. While differentiation on the basis of an individual's ability and effort should receive its due reward, discrimination on the basis of religion, caste, tribe or sex, etc., is unacceptable. Some of the currently practiced discriminations that we need to work upon, as a nation, are the following:

2.1 Phasing out the reservation system: The role and shape of the reservation policy needs to be well understood. Given the unfortunate persistence of social discrimination against certain citizens based on social status determined by birth within the Hindu religion, it is necessary for the relevant religious leaders to work toward complete abolition of the caste system, which

would then facilitate the early elimination of compensatory discrimination practiced by the state. A three pronged strategy to move this issue forward will be adopted:

- a) Investment will be made in areas that have a long term impact on the welfare of the weaker sections of the society.
- b) A framework will be put into place to help phase out the current policies of reservation, essentially subject to the phasing out of the caste system. To enable a fair phasing out, a National Disadvantage Index will be formulated which takes into account educational and income disparities, as well as social discrimination and violence based on caste. Full reservation on the basis of population size of a particular community - which lowers the incentives for improvement and creates a deep divide in the society - will be examined, and modified appropriately..

2.2 Uniform Civil Code: We urge Muslim leaders to work toward a situation where no discrimination occurs in the matter of maintenance on divorce, and inheritance, among male and female members of the Muslim religion .

3. Union Civil Rights Act: A Civil Rights Act will be enacted which will punish severely crimes conducted out of hatred for other communities.

4. Population: The only known relationship between population and economic growth is that fertility declines as a nation gets richer. High fertility is a symptom of poverty, not its cause. Population size, by itself, has no known effect on the growth of the economy. On the other hand, population can be converted into a major economic resource. In addition, higher levels of education and lower infant mortality lead to population declines and will be strongly promoted.

While the public and private efforts to increase the supply of contraceptives will be boosted, and education of the people on the availability and use of contraception will be promoted, people will be allowed to make their own choices on the number of children they want. No targets will be set either for fertility or for population size, since population will automatically decline, very rapidly, as other policies come into effect.

APPENDIX I

The Concerns of a Free Citizen

These are some of the concerns that need to be addressed by public policy. Most of these concerns arise from the possible misuse of power loaned out by us to other citizens for purposes of protecting our interests. The effort must be to look for or create as sharp an instrument as possible to address a particular problem, rather than using a blunt one, which indiscriminately affects, and even hurts, other parts of the society through unintended consequences.

- * I want an environment where I, my family, and everyone else, is rewarded based on effort expended, capability, creativity, and actual contribution. In particular, I want to be able to become as rich as I can be, given the effort I put in.
- * I want to be able to live my life in whatever way I please, subject only to the constraint that I respect the basic social norms of decency and non-injury to others.
- * I do not give others the power to fix prices which are based on monopolistic practices.

- * I want those who are physically and mentally handicapped to be provided assistance to live a decent human life, even though they may be unable to contribute in any positive way to society.
- * I want it to be ensured that officials/ politicians do not commit theft of public property.
- * I want production units to be prevented from polluting air, water and land.
- * I want strikes by workers to be dealt with through negotiation by the parties concerned and not through use of the state's force, unless violence is resorted to by a particular side.
- * I want public infrastructure to be provided equitably across the country.

APPENDIX II

National Disadvantage Index

A Disadvantage index, based on the following measures would be created:

- a) 33% weight: **Educational backwardness**, as measured by:

Total literacy of SCs/ STs	(1/3rd weight)
Female literacy of SCs/ STs	(1/3rd weight)
Secondary and higher education status of SCs /STs	(1/3rd weight)
- b) 33% weight: **Economic backwardness**, as measured by:
 - Relative difference in per capita income between SCs/STs and the general population
- c) 33% weight: **Social discrimination**, as measured by:

Intercaste killings	(1/3rd weight)
Other caste-based crimes	(1/3rd weight)
Actions taken by Hindu religious leaders to abolish the caste system.	(1/3rd weight)