

Centre for Civil Society
Activities Report
August 1997- December 1998

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President's Remarks

On my arrival in India in August 1997, after more than ten years of graduate studies and teaching economics in the United States, I resolved to be as self-sufficient in running my new Indian home, as I was at manning my American apartment. Cleaning the bathroom and dusting the furniture were indeed more demanding here. However, when I spent more than half a day paying my first telephone bill, and several hours for the electricity bill, my resolve vanished into thin air. I felt utterly helpless; I hired a helper. The dehumanizing effects of government monopoly of businesses were no longer a theoretical speculation in the classroom.

But how did I manage to get a house and a telephone to begin with? Rent control and tenancy laws make it near impossible to lease any space without close personal contacts. Landlords not only receive (legal) rents below market rates but are in constant danger of losing the property to their tenants. I was fortunate in finding a well-wisher with an apartment furnished with telephone and cooking gas. Yes, cooking gas is also a government monopoly. Economically rational laws and the sanctity of contracts were no longer liberal mantras for recitation.

Widespread abuse of political power, close ties between politicians and criminals, flagrant violation of even basic human rights of minorities, censorship of books, plays, films and works of art, vividly demonstrate the government's control over not just economic, but also the social and cultural life of India. After her political independence from an alien state, India awaits her civil independence. The inauguration of the Centre on 15 August 1997, the 50th anniversary of India's independence, signifies our belief in the necessity for economic, social and cultural freedom of the people from the omnipresent Indian state.

Despite the challenges, the Centre has achieved more than the expectations of friends and supporters. It has conducted several Dialogues (we could not however maintain them as monthly programmes as initially planned); brought out three publications advancing understanding of the market process, private regulation, and policy options for various areas of the economy; and undertaken a series of outreach programmes for school and college students. With other international liberal think tanks, the Centre has become co-publisher of the *Economic Freedom of the World*. Details on the Centre's activities and programmes are given later.

I have been a visiting professor at Jawaharlal Nehru University, New Delhi, and M.S. University, Vadodara, talking on public choice, spontaneous order, and free banking theories, have widely published in newspapers and magazines, and have spoken at various conferences in Sri Lanka, Thailand, Australia, and the Philippines. I delivered the keynote address on the role of consumer organizations in the civil society at the national workshop organized by the Consumer Education Research Centre, Ahmedabad. The government of the state of Madhya Pradesh invited me to evaluate its Education Guarantee Scheme. For a young liberal group in Mumbai, Association of Youth for a Better India, I conducted seminars on rent control and education policy and directed their liberalism camp.

Our first Liberty and Society Seminar organized by us in December 1998 has lifted our spirits and strengthened the decision to expand our education programmes. The enthusiastic participation of twenty-five college students from Delhi and Mumbai in the three-day long seminar and their eagerness to work towards building a liberal society has encouraged us to plan four such seminars in 1999, in different cities of India.

None of these would have been possible without the help of Ashok V. Desai, Anuradha Mangalpalli, Purnima Joshi, Bindu Madhavi, G.S. Benipal, Bala Ganti, Iris Madeira, Dilip Rangachari, Vamsi Musunuru, Shreekant and Indrani Gupta, Ravi Kumar, Sandeep Kishore, Dinesh Kumar, Rainer Adam, Hubertus von Welck, Subodh Kumar, Donald and Evy Warmbier, Leonard Liggio, Alex Chafuen, Antony Sullivan, David B. Kennedy and members of the Boards of Scholars, Advisors, and Trustees. You know how critical your support, guidance, and encouragement has been to the Centre. Thank you. Together we can work miracles—and a miracle is what India needs. I look forward to your continuing support.

In liberty

PARTH J. SHAH

About Centre for Civil Society

The Centre for Civil Society is an independent, nonprofit, research and educational organization devoted to strengthening the civil society and thereby improving the quality of life for all citizens of India. India will progress not by simply imitating other societies, but by building a system that complements, adapts, and elevates its culture and traditions. Towards that goal, the Centre provides a forum to enhance public understanding of the nature, role, and significance of civil society.

WHAT IS CIVIL SOCIETY?

Civil society is a network of associations and institutions of family and community, of production and trade, and of piety and benevolence. Individuals enter into these relationships as much by consent as by obligation but never under coercion. It is where people pursue self-defined ends and common concerns through familial, contractual, and voluntary associations. They include community groups, neighbourhood associations, fraternal and self-help organizations, professional and trade associations, worker and consumer unions, charities, civic groups, and religious and cultural institutions.

Civil society is founded on individual freedom and responsibility, and on a limited and accountable government. It protects the individual from an intrusive government, and connects the individual to the larger social and economic order. Civil society is what keeps individuals from becoming atomistic and communities from becoming collectivist. Political society, on the other hand, is distinguished by its legal power of coercion. Its primary purpose should be to protect, and not to undermine, civil society by upholding individual rights and the rule of law.

RELATION BETWEEN CIVIL AND POLITICAL SOCIETY

The 'principle of subsidiarity' demarcates the proper arenas for civil and political society, and for the local, state, and central governments within the political society. The principle suggests that the state should undertake only those tasks that people cannot accomplish for themselves through voluntary associations of civil society. The functions thus assigned to the state must be entrusted first to local governments. The functions that local governments cannot perform should be given to state governments and only those that state governments are unable to undertake should be delegated to the central government.

THE CENTRE'S ROLE

The Centre's activities are based on this understanding of civil and political society. Through sound research and education, the Centre addresses social, political, economic, and environmental concerns in ways understandable and useful to the public and policy makers. The programmes and publications of the Centre help guide public policy and encourage private initiative to rebuild and strengthen civil society. The Centre commissions studies from scholars and communicates the findings to targeted groups—policy makers, opinion leaders and the media—and to the general audience through lectures, seminars, and

conferences, and by publishing books, reports, and commentaries. It endeavours to broaden the public debate on critical issues and to provide innovative, effective and enduring solutions.

The motivation behind the Centre is the poignant paradox of intelligent and industrious people of India living in a state of destitution and despondency. Imperialism and communalism can be blamed for only so long. India must take responsibility for itself. We must outline the conceptual foundations for a broad reconstruction programme, however slow the brickwork may turn out to be in practice. This requires independence, integrity, and impartiality as much as knowledge, creativity, and commitment. The Centre aspires to meet that challenge.

SUPPORT

In accordance with its purpose, the Centre accepts support only from individuals and institutions of civil society.

RESEARCH AGENDA

- Civil Society in India: Its Forms and Roles
- Provision of Social Services: The Role of Civil Society
- Assuring Quality and Safety: Self Regulation or State Regulation?
- Building Information Superhighway: Privatization of Telecommunications
- Market-based Initiatives for Environmental Concerns, especially of air and water pollution, protection of wildlife and ecosystems, and the problem of the commons in fisheries and forests
- Role of the Private Sector in the Provision of Infrastructure
- Farmers and Consumers: Is State or the Market a Better Intermediary?
- Protecting and Creating Jobs: Deregulation of Labour Markets
- Financial Markets: Government as Manager or Supervisor?
- India in the Global Market: Liberalization of Trade
- Corporatization and Privatization of Public Sector Units

EDUCATION PROGRAMMES

- Issue-specific lectures and conferences by scholars and policy makers
- Weekend seminars for students, journalists, and policy makers in major cities
- Better government contests
- Translations/Reprints of classics in economics, politics, and philo-sophy
- Production of educational documentaries and seminars on video with subtitles in the major languages of India
- Donation of books to schools, colleges, and public libraries

RESOURCE CENTRE

The Centre maintains a library of publications (books, journals, and newsletters) of think tanks from around the world. The library is open to the public. The Centre plans to open similar resource centres throughout India. The Centre provides students free access to the internet for research on policy issues.

BOOK CLUB: LAISSEZ-FAIRE BOOKS

Through arrangements with publishers and distributors, the Centre makes available for purchase books promoting its principles and ideas.

Activities of the Centre

PUBLICATIONS

The Centre has brought out three publications to enhance understanding of the working of the market system; role of the not-for-profit and for-profit organizations in guaranteeing safe and effective products; and policy options for the central government to improve civil society.

How Markets Work: Disequilibrium, Entrepreneurship and Discovery

by ISRAEL M. KIRZNER, New York University

It elucidates views of Ludwig von Mises and Friedrich Hayek of the market as a process, competition as a discovery procedure, and entrepreneurship as the engine of economic growth. By focussing on the fact that economic knowledge is dispersed and often inarticulate, it critiques the perfect competition model of neo-classical economics.

pp. 78 (Pb) Rs 50

Agenda for Change edited by BIBEK DEBROY, Rajiv Gandhi Institute for Contemporary Studies and PARTH J. SHAH, Centre for Civil Society.

It contains seventeen chapters detailing specific reform proposals for various areas of the Indian economy. The contributors are T.C.A. Anant, Ramesh Chand, Parna Dasgupta, Amaresh Dubey, Shubhashis Gangopadhyay, Ashok Gulati, Abid Hussain, Shikha Jha, Tom Keyes, Amir Ullah Khan, Viju Mathew, Amit Mitra, Mir Ali Raza, Ajay Shah, Paritosh Sharma, T.C.A Srinivasa Raghavan, P.V. Srinivasan, Suresh D. Tendulkar, C.S. Venkata Ratnam, and Wilima Wadhwa.

pp. viii + 164 (Pb)

It has been reviewed in *Outlook*, June 1, 1998; *Business India*, July 27–August 9, 1998; and *Seminar*, September 1998.

Self-Regulation in the Civil Society edited by ASHOK V. DESAI

The book explores voluntary alternatives to state regulation for assuring quality and safety of goods and services. The first chapter details scores of for-profit and not-for-profit organizations that provide private regulation in the United States. The second challenges the justifications for quality and safety restrictions, namely, externalities in knowledge, asymmetry of information between buyers and sellers, and paternalism. The third describes how the market creates institutions to expand and strengthen trust among buyers and sellers of goods and services. Dr Desai's Introduction lists follies of state regulation in India and emphasizes the need to promote self regulation in India.

pp. vi + 102 (Pb) Rs 100

DIALOGUES

The Centre holds regular Dialogues in Delhi to provide a forum for discussion of topical issues. Individuals with different perspectives make brief presentations and then engage actively with the audience. A listing of the Dialogues is given below.

Liberalization and Recession: Coincidence or Causal?

Speakers: MR SUDHIR MULJI, Great Eastern Shipping Corporation

MR VINAY BHARAT-RAM, DCM Limited

DR ASHOK V. DESAI, *Business Standard*

India International Centre, 13 December 1997, Saturday, 11:00 am

Dialogue on Education

Speakers: DR SURJIT S. BHALLA, Oxus Research and Investments

DR ARUN KUMAR, Jawaharlal Nehru University

DR JANDHYALA B.G. TILAK, National Institute for Educational Planning and Administration (NIEPA)

DR N.V. VARGHESE, NIEPA

DR PARTH J. SHAH, Centre for Civil Society (CCS)

India International Centre, 24 January 1998, Saturday, 11:00 am

(A transcript of the Dialogue on Education was printed in the special issue on 'Right to Education' in *Seminar*, April 1998, pp. 72–76.)

The East Asian Crisis: Lessons for India

Speakers: DR SURJIT S. BHALLA, Oxus Research and Investments

PROFESSOR SHUBHASHIS GANGOPADHYAY, Indian Statistical Institute

PROFESSOR ABHIJEET SEN, Jawaharlal Nehru University

India International Centre, 22 February 1998, Sunday, 10:30 am

The Roundtable on Strategies for a Liberal India

India International Centre, 22 March 1998, Sunday, 10:30 am

Earth Day: Against Nature

Discussion following the screening of an acclaimed British documentary 'Against Nature': Interviews with pioneers of the environmental movement and their critics on wide-ranging issues.

Chair: MR DILIP BISWAS, Chairman, Central Pollution Control Board

India International Centre, 22 April 1998, Wednesday, 5:30 pm

Economics Curriculum in Schools

Speakers: DR BIBEK DEBROY, Rajiv Gandhi Institute for Contemporary Studies

MR SAUVIK CHAKRAVERTY, *Economic Times*

DR RAMESH CHANDRA, National Council for Educational Research and Training (NCERT)

MRS SUMAN LATA, Delhi Public School, R.K. Puram

Delhi Public School, R.K. Puram, 19 July 1998, Sunday, 10:00 am

Self-Regulation in the Civil Society (release function of the book)

Speakers: MR O.P. VAISH, President, PHD Chamber of Commerce

DR GURCHARAN DAS, Author and Competition Consultant

DR ASHOK V. DESAI, *Business Standard*; DR PARTH J. SHAH, CCS

PHD Chamber of Commerce, 18 September 1998, Friday, 4:30 pm

Should We Ban Quacks?

Speakers: DR RAJESH CHAWLA, President, Delhi Medical Association

MR ALOK KUMAR, Member of Legislative Assembly, Delhi

DR PARTH J. SHAH, CCS

DR ACHAL BHAGAT, Psychiatrist, Apollo Hospital

All India Institute of Medical Sciences, 24 October 1998,

Saturday, 4:30 pm

STUDENT OUTREACH PROGRAMMES

Liberty and Society Seminar

The three-day seminar organized to provide students a greater understanding of the larger world—society, economy and the culture—within the classical liberal framework that emphasizes limited government, rule of law, free trade, and competitive markets.

The speakers at the seminar were Surjit S. Bhalla (Economic Freedom and Economic Growth: A Virtuous Cycle), Sauvik Chakraverty and Barun Mitra (India's Population: Problem or a Promise?), Bibek Debroy (Globalization: WTO, IPR and other Three-Letter Words), Shubhashis Gangopadhyay (Liberalization: Past, Present and the Future), Shreekant Gupta (Market Approach to Environmental Protection), Sharad Joshi (Liberalism and Its relevance to India), Madhu Kishwar (Dinner talk, Diversity in the Indian Culture), and Parth J. Shah (Private Markets and Political Markets).

Jamia Hamdard Convention Centre, New Delhi, 21–23 December 1998

Documentary Screenings and Discussions

Lady Shriram College

‘Against Nature’, acclaimed British film on environmental issues

9 September 1998, Wednesday, 12:40 pm, in association with VAPP

Department of Business Economics, University of Delhi

‘Against Nature’ and ‘Interview with Milton Friedman’

10 September 1998, Thursday, 1:30 pm

Shri Ram College of Commerce

‘Against Nature’

4 December 1998, Friday, 1:00 pm

Kiosk for Publications and Other Information

At Miranda House during their Golden Jubilee Celebrations

5–6 December 1997, Friday and Saturday, 9:00 am–4:00 pm

PRESIDENT'S ACTIVITIES

Lectures

- Keynote Address, National Workshop on Dimensions of Civil Society: Role of Consumer Organizations, organized by Consumer Education and Research Centre, Ahmedabad, 11–13 December 1998
- Using the Economic Freedom Index: The Indian Example, Economic Freedom Network Annual Conference, Manila, the Philippines, 5–7 November 1998
- The Tragedy of the Commons, for high school students of Delhi Public School, R.K. Puram, New Delhi, 4 September 1998
- The Ugly and Immoral Market?, Young Liberals Convention, Association of Youth for a Better India, Deolali, 29–31 August 1998
- Political Economy of Rent Controls; Universalizing Education: A Tale of Two States, at Association of Youth for a Better India, Mumbai, 16 May and 13 June 1998
- Choice and Competition: Pillars of New Education Policy, Thammasat University, Bangkok, Thailand, 7 May 1998
- Trade or Lack of It: An Anthropological and Historical Analysis of Conflict in South Asia, Seminar on Sources of Conflict in South Asia: Ethnicity, Refugees, Environment, organized by Regional Centre for Strategic Studies, Hikkaduwa, Sri Lanka, 12–13 March 1998

Participation

- Econ Festival 'Prakriti '98', St Stephens College, Delhi, 8 December 1998
- Liberty Fund Conference on James Buchanan and Jean Hampton, Sydney, Australia, 29–31 October 1998
- Workshop on Political Strategies organized by Friedrich Naumann Stiftung, Gumpersbach, Germany, 27 March–3 April 1998
- Atlas Foundation Workshop on Poverty and the Environment: Global Lessons—Local Solutions, Orlando, Florida, 5–8 February 1998

Visiting Professorship

- Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi, November–December 1997
- Department of Economics, M.S. University, Vadodara, September–October 1998

Advisor and Consultant

- Research Advisory Committee, Indian Council for Research in International Economic Relations, New Delhi
- Evaluation of the Education Guarantee Scheme of the Madhya Pradesh Government

Media Outreach

- Articles in *Business Standard*, *Economic Times*, *Financial Express* (Bangladesh), *Seminar*, *Vishleshan*, *Freeman*, *SiliconIndia*.
- Participant in two episodes of India Talks, CNBC Asia, on education policy and performance, 17 and 24 July 1998

Ongoing Projects and Planned Activities for the Year 1999

DIALOGUE SERIES

Individuals with different perspectives on a topical issue make brief presentations and then debate and discuss their ideas with the audience. The Series is generally held at India International Centre.

PUBLICATION PROGRAMME

Policy Study Series

Studies commissioned:

- (1) Universal access to telecom services: Mandates or the Market?
by T.H. Chowdary, Centre for Telecom Studies and Management
- (2) Economic analysis of commercial laws
by Bibek Debroy, Rajiv Gandhi Institute for Contemporary Studies
- (3) Market approach to environmental policy in India
by Shreekant Gupta, Delhi School of Economics
- (4) Effects of Advertising on Consumption and Culture: A Cause for Concern?
by Bala Ganti and Yazad Jal, Centre for Civil Society
- (5) Intellectual Property Rights and the Pharmaceutical Industry in India
by Yazad Jal, Centre for Civil Society
- (6) Economic Freedom and Economic Growth: A Virtuous Cycle
by Surjit S. Bhalla, OXUS Research and Investments
- (7) Tax Freedom Day: The day you stop slaving for the government and start working for yourself
by Parth J. Shah, Centre for Civil Society
- (8) Private and Political Markets: Paradox of Intentions and Results
by Parth J. Shah, Centre for Civil Society

Studies to be reprinted:

- (1) Curb Rights: A Solution for Urban Mass Transit
by Daniel Klein
- (2) Who Will Save the Tiger?
by M. Sas-Rolfes
- (3) Health Risk: Virtual and Real
by Roger Bate

Economic Classics Series

- (1) Ethics of Liberty
by Murray Rothbard, Ludwig von Mises Institute (to be reprinted)
- (2) Profiles in Courage: Dissent on Economic Policy (original work which will chronicle dissenters from India's central planning)
- (3) Capitalism and India: A Reassessment
by R.K. Amin, former Member of Parliament

(4) Reprint of the works of Adam Smith, F.A. Hayek, Milton Friedman and other liberals, with Indian introductions.

Privatization Series

(1) Privatization Around the World

Adam Smith Institute (to be reprinted)

(2) Privatization Report (stories of privatization at the local, state and the central level in India)

Agenda for Change

Publication of the second volume of the *Agenda for Change*. It provides precise reforms for various sectors of the economy. The first volume of the *Agenda* contained seventeen chapters; the second volume will cover the areas not covered in the first volume.

The first volume of the *Agenda for Change* will also be published in Hindi.

WORKSHOP FOR BUSINESS JOURNALISTS

Under the guidance of Swaminathan S. Anklesaria Aiyar, a four-day interactive workshop will be organized to provide understanding of alternative perspectives on policy issues, the law of unintended consequences, and techniques of inquiry, analysis, and communication. Depending on the response, similar workshops will be conducted for vernacular journalists.

HOUSING MARKET IN DELHI

An empirical study to quantify the damage done by rent control laws. The study will fill in important gaps in the research done by government agencies and their think tanks. With the results, some of the classic articles on rent control by F.A. Hayek, Milton Friedman, and Walter Block will be reprinted.

LITERATURE AND LIBERTY

Bala Ganti, Director of the Centre, will prepare an annotated bibliography of Indian fiction and nonfiction writings that championed liberal principles and projects.

STUDENT OUTREACH PROGRAMME

Liberty and Society Seminar

A three-day seminar on philosophical and economic principles of a free society for college students in Delhi, Mumbai, Bangalore, and Ahmedabad.

Information Kiosks

To inform students about the Centre's principles, projects, and educational programmes at various high schools and colleges.