

How to Think About Samaaj, Sarkaar, and Bazaar

Lenses for Seeing the World Around Us

Pranay Kotasthane

Life Lessons

A Question Before We Begin

Think of a policy whose effects differed from what its designers expected.

A ban, a subsidy, a scheme, a fine, a new rule. Intentions and outcomes have a big gap.
What happened in between?

Designed in a Box, Lived in a Tangle

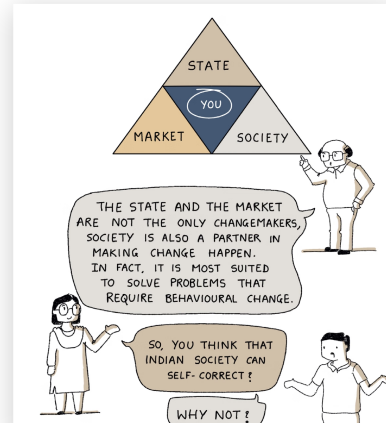


VIRPI@BUSINESSILLUSTRATOR.COM

The Punchline First

- ▶ We have good theories of how **markets** fail
- ▶ We have good theories of how **states** fail
- ▶ We have almost none for how **societies** fail

And the three don't sit side by side. They act on each other, all the time.



Simple, Complicated, Complex

Simple

Few parts, linear
cause and effect

Boiling water in a kettle

Complicated

Many parts, but pre-
dictable with expertise

The Car

Complex

Many parts that
interact and adapt;
outcomes emerge

The Traffic

A complex system has no central control. Behaviour emerges from many simple interactions.

A List of Sources Is Not a System

THE FABLE: *To fix Delhi's air, list the polluters and regulate each one.*

What pollutes

Biomass burning
Vehicles

Coal and fly ash
Soil and road dust

Waste burning
Industry and construction

What drives it

Paddy procurement at support prices, lack of access to LPG
Public transport, walkability, engine technology, fuel quality, incomes

Industrial technology, coal quality, reliance on clean energy

Road surfaces and maintenance, green cover

Waste-management practice, incomes

Ease of doing business, enforcement of penalties

Five Features of a Complex System

Non-linear

Long stillness,
then a sudden
tipping point

Feedback

Some pushes
get amplified,
others dampened

Emergence

Order arises
from local
interactions, not
central direction

Path de- pendence

Initial conditions
create long-run
momentum

Leverage points

Small actions can
have large effects,
and large actions
small ones

Each of today's four lenses puts one of these to work.

Four Lenses

1. Bazaar

The development loop

leverage points

What matters most at our stage?

2. Sarkaar

The omnib-sent trap

path dependence, feedback

Why does everyone expect the state to fix it?

3. Samaaj

Defence Against the Dark Arts

non-linearity

Would you do it if nobody else did?

4. Samaaj

Living in the Information Age

emergence, feedback

More common, or just more reported?

Society gets two lenses, because that is where our theories are weakest.

1. What Matters Most at Our Stage?

THE FABLE: *Growth is overrated. We should focus on wellbeing instead.*

- ▶ **Pritchett:** national development is empirically *necessary and sufficient* for high human wellbeing on 58 non-economic indicators
- ▶ At **low incomes**, small gains in GDP come with large gains in social progress
- ▶ **Roser:** most of the world's inequality is *between* countries, not within them
- ▶ So the biggest fairness gain open to a poor country is growth itself

"Beyond GDP" is a rich country's argument.

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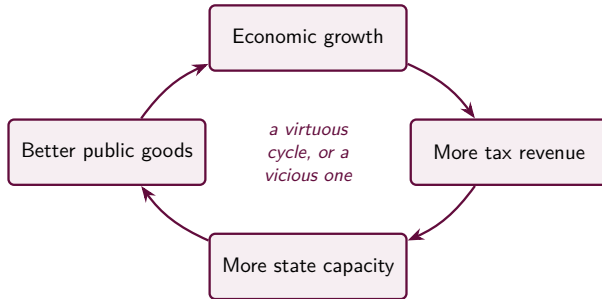
NDI is empirically necessary for high SPI:
No country is in this 'Northwest' region
with low NDI but high SPI

NDI is empirically sufficient for high SPI:
No country is in this 'Southeast' region
with high NDI but low SPI

Social Progress Index

National Development Index (regression weights)

The Development Loop



You can't share a pie fairly if the pie is tiny.

- ▶ Each part feeds the next. The cycle can run up or run down
- ▶ **Leverage point:** at low incomes, growth is where a push travels farthest
- ▶ Redistribution without growth tries to enter the cycle where it is weakest

2. The Omniabsent Paradox

THE FABLE: *The Indian state is too big.*

Small in

- ▶ Spending, compared with its income peers
- ▶ People: police, judges, doctors, city staff
- ▶ Capacity, especially at the local level

Big in

- ▶ **Ambition:** it makes soap, runs a department of happiness, and promises everything

ON THE OTHER HAND, THE INDIAN STATE, WHICH HAS LESSER INCOME AND HENCE LESSER MONEY TO SPEND, IS ALSO THINLY SPREAD OUT ACROSS SUNDRY DEPARTMENTS AND A LONG LIST OF PUBLIC-SECTOR UNITS (PSUs).



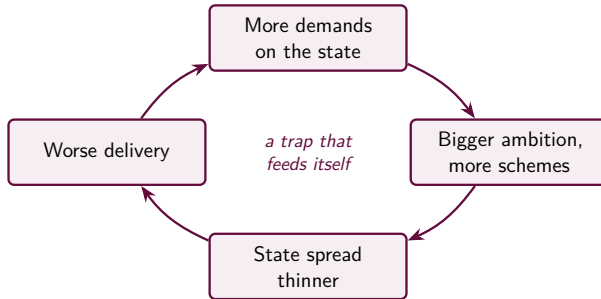
Where the Ambition Came From

THE FABLE: *The State is the natural agent of every change.*

- ▶ The Constitution came hardcoded with a **social revolution** (Granville Austin): the state as the hero of India's transformation
- ▶ It worked. It forged a fractured, poor, unequal society into one nation
- ▶ But it had unintended consequences:
 - ▶ The state spread too thin
 - ▶ The welfare state became an excuse for society to disengage
 - ▶ Civil society came to *supplement* the state, not *complement* it
 - ▶ Agitations became petitions to the state: *maai-baap sarkaar*

The design that forged India is not the design that will grow it.

The Omniabsent Trap



- ▶ **Feedback:** worse delivery doesn't lower expectations. It raises demands for *more* state
- ▶ **Path dependence** set this cycle spinning
- ▶ The ambitions that fail most need the most **discretion** and **transactions**: policing, teaching, regulating
- ▶ Undergovernance, not overpopulation

In India, every failure of the state becomes a demand for more state.

3. Defence Against the Dark Arts

THE FABLE: *The world is getting worse. Just look at the news.*

- ▶ **Information theory (Shannon):** the rarer an event, the more information it carries
- ▶ Try reading this: “*Lng yrs g, w md trst wth dstny.*” You got it without the vowels. Common letters carry little information; rare ones carry a lot
- ▶ News works the same way. A routine tragedy is barely news; a rare or shocking event is. So the feed selects for the **rare** and the **extreme**
- ▶ And since attention is scarce, the shocking claim beats the accurate one

More reported is not more prevalent.

Why Progress Looks Like Decline

THE FABLE: *If we hear about it more, it must be happening more.*

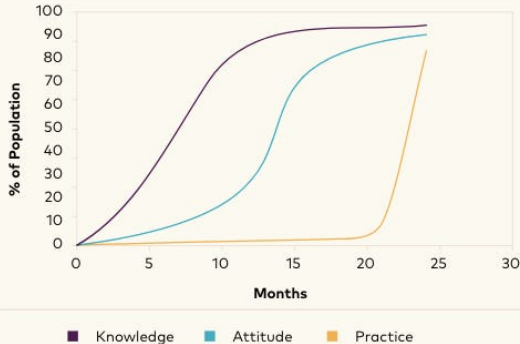
- ▶ **The moral arc expands (Shermer):** 250 years ago, no newspaper reported that Thomas Jefferson owned slaves. It was too common to be news
- ▶ Today, any hint of forced labour is front-page news, precisely *because* it has become rare and condemned
- ▶ The same holds for pollution by firms, discrimination, harassment: rising reports can signal **rising standards**
- ▶ Government and market failures prompt us to design fixes. Social ills only make us despair. They are the **Dementors** of the information age

Outrage is often a sign that the bar has been raised, not that the floor has collapsed.

Knowledge, Attitudes, Practice

Knowledge, Attitude, Practice. Interdependence of Decision

KAP-gap: Strong Interdependence (Interactive Shift of A, Coordinated Shift of P)



Three Questions Before You Despair

1. Is this being reported *because* it's becoming rarer?
2. How does it compare with its prevalence in the past?
3. Does the reporting reflect changing values?

The test cuts both ways: check prevalence data, not vibes. Sometimes the data says it really is getting worse.

4. Living in the Information Age

THE FABLE: *Social media traps us in echo chambers.*

Social Media Expands Reference Networks

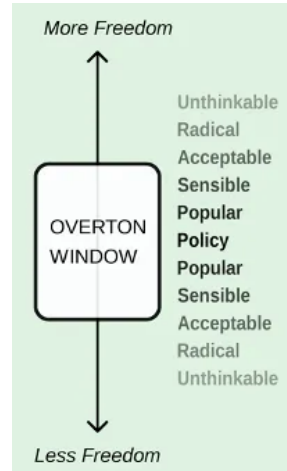
- ▶ Reference Network: people whose beliefs and behaviour matter for our behaviour.
- ▶ We encounter a much wider range of opinions now
the problem is that when we encounter opposing views in the age and context of social media, it's not like reading them in a newspaper while sitting alone. It's like hearing them from the opposing team while sitting with our fellow fans in a football stadium. Online, we're connected with our communities, and we seek approval from our like-minded peers. We bond with our team by yelling at the fans of the other one. [Zeynep Tufekci]

All Issues are Global by Default

Type of Association	Mechanism	Impact on an individual's behaviour
Comparative	others, like me, are getting a better deal	Sense of inspiration or Sense of relative deprivation
	others, like me, are getting a worse deal	Show support in various ways or despondence
Preferential	others hate what I like	Start hating what the others like or Disconnect from the others or Gang up with those who hate the haters
	others like what I like	Reinforce each other's views
	others hate what I hate	Reinforce each other's views or Gang up against the object of common hatred
	others like what I hate	Start liking what the others hate or Disconnect from the others or Gang up with those who hate the likers

Social Media Expands the Overton Window

With the old gatekeepers no longer wielding the same power as earlier, the range of opinions on any issue can be extremely broad. And combined with the fact that each of those views attracts a new reference network, the Overton Window of social acceptability gets stretched.



Disproportional Rewards for Extreme Content

► Back to Information Theory

Spot the Recipe

THE FABLE: *It worked there, so it will work here.*

- ▶ “South Korea backed *chaebols*. India should too.”
- ▶ “China forced technology transfer. India should too.”
- ▶ “France banned short-haul flights. India should tax air travel.”
- ▶ “Amsterdam has cycle tracks and Bogotá has BRT. So should Bengaluru.”

Isomorphic mimicry: copying the form of success without its function.

What Complexity Asks of Us

Ingredients, not recipes

Prepare the conditions. Let competing solutions emerge

Decentralise

Local agents learn and adapt. Hayek, rediscovered

Success is probabilistic

Even perfect conditions don't guarantee take-off

Pro-market policies supply ingredients. Pro-business policies hand out recipes.

Hope, Not Paralysis

Karmanye vadhikaraste ma phaleshu kadachana

Your right is to the work, never to its fruits

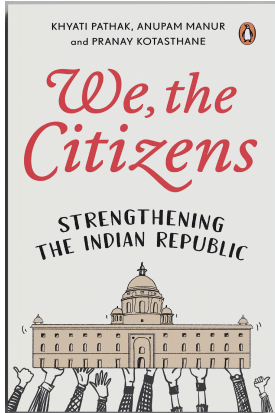
No recipe guarantees the outcome. But given the right ingredients, change can emerge when you least expect it.

Use the Lenses

For each headline, answer in chat:

1. **Dark-arts check:** is this more common, or just more reported?
2. **Which institution** failed: samaaj, sarkaar, or bazaar?
3. **Which feature** of complexity is at play: a tipping point, feedback, path dependence?
4. **Leverage:** where would a small push travel far?
5. **Recipe check:** is the proposed fix copied from somewhere else?

Thank You



Questions?

frameworks.pranaykotas.com

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