

DISCUSSION QUESTIONS

1. **There are 25 million street vendors in India. Prior to 2012, they had no legal right to be on the street to sell their wares. This left them open to extortion by the police, who sought bribes or confiscated their wares outright.**
 - a. Why are property rights necessary for capital formation, i.e. for investing in better carts, new services, etc.?
 - b. What role did the street vendor association play in developing vendor rights?
 - c. How are civic associations important in America today?
2. **When the British left India, the Indian government added onto the stifling regulations that the British had in place. The Indian government nationalized major industries, then more. Free trade was thought to lead to poverty, since it was thought that a poor country couldn't compete.**
 - a. How did the "License Raj" make things worse?
 - b. Tom Palmer argued that the government suffered from a "knowledge problem," building on F.A. Hayek's (1899-1992) idea that knowledge is decentralized and scattered. What problems do governments have, regarding knowledge, when trying to plan economies?
3. **In 1991, India reduced centralized control, regulations, licenses, and opened the country to foreign investment. Jagdis Bagwhati described this as "grow the pie and then pull people up." He was surprised at "how quickly Indian companies got competitive globally."**
 - a. Why do you think this "bottom up" approach is more effective than the "top down" approach of central planning?
 - b. (Since the reforms, average income has grown 7.5% each year, doubling every decade.)
4. **When the British left India in 1947, some of the forests were nationalized. People who had lived there for generations now had to prove their right to stay there. In 2006, the Forest Rights Act secured their right if they could prove they were farming there before 2005. Few were approved.**
 - a. How did modern technology aid them in establishing property rights, raising the approval rate to nearly 90%?
 - b. How did the farmers know where to draw the property lines?
 - c. How did a title to the land increase capital investment of the property?
 - d. Why did land owners plant trees when the forest service was cutting them down?

5. **The caste system has existed in India for millennia. It was reinforced under British rule, since higher castes got the better jobs. The statement was made that “the way to kill the caste is a rising, growing, competitive economy.”**
- Do you agree or disagree with this statement? Explain why.
 - Do you think America can break down social divisions through a growing, competitive economy? Why or why not?
 - Quotas were created to help the lower castes but did not help much. Do you think affirmative action, minimum wage and other programs designed to help disadvantaged groups have been effective? Why or why not?
6. **Mannem Madhusudana Rao, the Dalit who became a mechanical engineer, told an incredible story of starting his own labor company from an overheard conversation. He then turned that into his own labor contracting company. After growing that, he created a major construction firm.**
- Do you think that kind of “rags-to-riches” story is possible in America today? Why or why not?
 - Has your life improved since you were a child living with your parents? If yes, how so?
 - What 2-3 things do you think your parents did that helped you the most?
7. **The extreme poverty rate in India, according to the World Bank figures, has been cut in half in the past two decades, from greater than 45% to 22%. This is the greatest poverty elimination program in human history. (China’s slow-motion abandonment of communism is the second greatest, both within our lifetime.)**
- Prior to this film, were you aware of that?
 - Why do you think the media has not reported/covered this?