

Swabhimaan

A LIBERTARIAN PERSPECTIVE ON INDIA

ISSUE 5 | 27 AUGUST 2026

Fighting the Wrong
Enemy

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THE STATE RATIONS COLLEGE SEATS, THEN WINS ELECTIONS DISTRIBUTING THE RATION. ABOLISHING QUOTAS WITHOUT ENDING THE SCARCITY ONLY REARRANGES THE QUEUE.

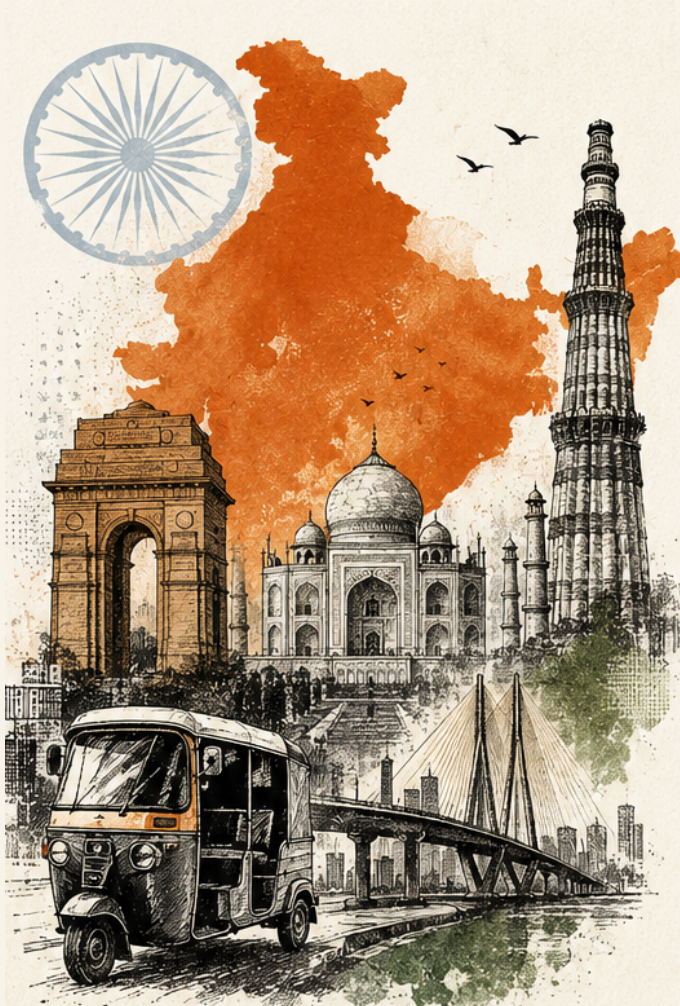


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IDEAS. LIBERTY.
PROSPERITY.

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It is Swaraj when we learn to rule ourselves. It is, therefore, in the palm of our hands. But such Swaraj has to be experienced, by each one for himself. One drowning man will never save another.

— M. K. GANDHI, HIND SWARAJ, 1909



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The Kids at Jantar Mantar Are Fighting the Wrong Enemy

BY AVNEESH KASTURE

The Delhi Police told them to take their grievance to Ramlila Ground. They sat at Jantar Mantar instead. No party will defend their demand, and every party wants quotas pushed into private companies. Their fight is just, but aimed at the wrong enemy.



Behind the police barricades at Jantar Mantar: the Reservation Hatao Andolan, a movement that began as an Instagram page. Photograph from the movement's @rhamovement_01 account on X.

On Friday, August 21, the Delhi Police told the Reservation Hatao Andolan to take their grievance to Ramlila Ground, where grievances go to die quietly. They refused. They sat at Jantar Mantar under prohibitory orders, chanted the Hanuman Chalisa while being detained, and a movement that began as an Instagram page became, for a day, the only political question in Delhi.

The commentary since has been merciless in the usual key: casteist brats, defenders of privilege, a mob accused by activists of “weaponising competitive exam anxiety”.

The insults are the lesser wound. Within two days, Mayawati had declared the demand against the country's interest, then turned her fire on the Congress for merely failing to show up and defend reservation to the protesters' faces, reading absence itself as proof of an “anti-reservation mindset”. Such is the radioactivity of this issue that a party can now be denounced for standing near these young people, never mind with them.

No party will stand behind their demand; the Congress, the BJP, the BSP, the Left have each found their own reasons to refuse, and all of them arrive at the same silence. They are political orphans fighting a lonesome battle. My own view is harsher and kinder at once: these protesters are fighting a just fight against the wrong enemy, and the tragedy is that the wrong enemy is the only one our politics permits them to see.

THE FIGHT IS JUST

Their fight is just, and pretending otherwise is dishonest. Reservation in India has never once contracted. It has grown for seventy-five years, category by category and percentage by percentage, and the frontier it is now crossing is the private sector itself. This is no fringe fantasy; Nitish Kumar has said plainly that he personally feels reservations should cover the private sector too. The late Ram Vilas Paswan demanded that every company taking government money be made to reserve posts. Salman Khurshid's social-justice panel in the Congress formally sought quotas in

private jobs. The CPI(M)'s latest party congress passed a resolution demanding reservation across the entire organised private sector, every registered company included. And lest anyone imagine the ruling coalition stands apart; Union Minister Anupriya Patel of the NDA spent 2024 demanding quotas in jobs outsourced to private contractors.

That list spans JD(U), LJP, Congress, the Left, and the NDA's own council of ministers. Not one political party in India is arguing the other side. The entire electoral spectrum is bidding on the same auction, because promising someone else's payroll costs a politician nothing. When every party pushes in one direction, the pushback has to come from outside the party system, from an Instagram page that grew legs. That is exactly what Jantar Mantar was. Structurally, this is the only fight these young people can fight, because no ballot offers them the choice. I will say what the respectable commentariat won't: the tide has to be stemmed, and if the stemming must begin with detained twenty-somethings chanting the Hanuman Chalisa, the shame belongs to our party system far more than to them.

SUPPOSE THEY WIN EVERYTHING

And yet, having defended their fight, I must tell them they have picked a target that will break their hearts.

Suppose they win everything. It would take no amendment, and for the most part it would not even take Parliament. The Constitution's reservation clauses merely permit quotas in education; they do not command them. The OBC and EWS quotas in the all-India medical seats were created by a government notification in July 2021, announced on a Thursday and notified by Friday, and what a ministry conjured by office memorandum a ministry could dissolve by office memorandum. Suppose the nerve appeared, and reservation vanished tomorrow.

Tomorrow morning, this year's NEET cohort would still wake up to roughly 1.4 lakh MBBS seats, and even among the 11.2 lakh who qualified the exam, only about one in eight will ever sit in one. The queue would be exactly as long; only the sorting rule would change. The children of parents who can afford three years of Kota coaching would take the reserved seats along with the rest, the poor of every caste would remain outside, and within a decade a new andolan would occupy Jantar Mantar demanding the quotas back. Abolishing reservation without touching scarcity is rearranging the queue outside a shop that has been ordered, by law, to stay nearly empty.

THE ARITHMETIC OF THE GATE

1.4 lakh MBBS seats in the country, against 11.2 lakh candidates who cleared NEET

1 in 8 Qualified candidates who will ever occupy one of them

₹2 crore Alleged price of recognising a single medical college, over which the Medical Council's president was arrested

A LICENSED COMMODITY

That is the actual scandal, the one no protest has yet named. A college seat in this country is a licensed commodity. A medical college must beg a national regulator for permission to exist, permission for every batch, permission for every expansion. Readers old enough to remember waiting years for a Bajaj scooter or a telephone line know precisely what this system is. It is the licence raj, un-dismantled, now presiding over our children's futures. We liberalised scooters in 1991 and the waiting list evaporated. We never liberalised college seats, and so the waiting list runs past twenty lakh names, and we have spent three generations knifing each other over the order of the names.

We even ran the experiment and then refused to learn from it. When engineering colleges were allowed to multiply in the 2000s, the scarcity inverted so completely that lakhs of seats went begging and hundreds of colleges shut for want of students. Tens of thousands of engineering seats, reserved and general alike, now find no takers even after the final round of counselling. The scarcity vanished, and the rage vanished with it. Nobody has ever marched on Jantar Mantar over a ration nobody wants. Meanwhile in medicine, where the permission desk still rules, the desk itself became so lucrative that the Medical Council of India had to be dissolved in disgrace after its president was arrested over an alleged ₹2 crore bribe for recognising a single college. Two crore rupees was the asking price of a permission slip. Artificial scarcity always finds its market rate, and every NEET aspirant pays it in a different currency.

A BIGGER DEMAND

I say this to the Reservation Hatao Andolan as an ally rather than a scold. Your instinct is right. A quota regime that has only ever expanded, that every party in Parliament now wants to march into private companies, is a tide that must be stemmed, and you are the only ones standing in the water. But understand what feeds the tide. Reservation politics is savage in exact proportion to the scarcity of the prize. Politicians ration the seats, then win elections distributing the ration, then propose extending the ration to the private sector when the public trough runs dry. Fight only the distribution rule and you fight the tide wave by wave, forever; fight the rationing and you drain the ocean.

***It is the licence raj,
un-dismantled, now
presiding over our
children's futures.***

The next banner should not be a plea for a fairer list. It should be an eviction notice: the state will no longer decide how many chairs exist, and it will no longer decide whose names go on the private ones.

The first demand should be permission raj hatao: any institution meeting published standards may teach medicine, engineering, law, anything, with graduates certified by whichever examining bodies hospitals and patients come to trust, and nothing else standing between an Indian student and a chair. The second demand should be the liberation of the private college from quotas it never chose. A

trust that raises its own money and builds its own campus is today compelled to surrender a large share of its seats to allocation by government exam and government category. The Supreme Court ruled in 2005 that this violated the autonomy of private unaided institutions; Parliament amended the Constitution within months to overrule the judges, and Article 15(5) has stood on the books ever since. The second demand even keeps the movement's original slogan honest: reservation removed where the state had no business imposing it. Let seats multiply the way scooters did, and let the institutions that create them decide whom they admit. On the day 1.4 lakh medical seats become ten lakh, the question of who gets the reserved ones will bore everyone to death, the private-sector quota demand will lose its desperate constituency, and the politicians auctioning scarcity will find the lot has no bidders.

The young people at Jantar Mantar sat down in the right square for the right reasons. Next time, they should bring a bigger demand.

The Government Knows Your Land. It Just Won't Guarantee That It's Yours.

BY DEEPAK SRINIVASAN

You pay the stamp duty, register the deed before an official and pay the property tax for years. What the Indian state has recorded is that a transaction took place — not that the land is yours. The difference is the country's largest unfinished reform.

Imagine buying a house. You find a seller, negotiate a price, pay stamp duty to the government and register the sale deed before a government official. Your name may then appear in the relevant records, and you may pay property tax on the property for years. Naturally, you assume that the government has now acknowledged a simple fact: this property is yours. But in India, that is not necessarily what the state has promised. India's land system is generally one of presumptive rather than conclusive title. The registration of a document establishes that a transaction took place, but it does not by itself guarantee that the person who sold the property had an indefeasible title to sell. If an earlier defect in the chain of transactions emerges, or another claimant establishes a superior right, the purchaser may have to defend his ownership through the administrative and judicial system. As NITI Aayog has noted, registration provides evidence of a transaction rather than a guarantee of ownership, leaving Indian land titles vulnerable to challenge.

This creates one of the stranger arrangements in modern Indian governance. The state can require a property transaction to be registered, collect a fee for registering it, maintain revenue records concerning the land, tax the property, regulate its use and, under certain circumstances, acquire it. Yet when the citizen asks the most fundamental question, *is this land, finally and unquestionably, mine?*, the answer may effectively be: *we have records, but you may still have to prove it.*

The problem with India's land system is therefore deeper than the familiar complaint that acquiring land is difficult or that industrial projects are delayed. India has spent centuries building institutions that make land legible to the state without ever fully completing the more basic task of making ownership reliably legible to citizens.

A REVENUE STATE IS NOT A PROPERTY STATE

This distinction between recording property and guaranteeing property is the key to understanding how India got here. A government may maintain a record answering the question, *who is presently recorded as possessing this land, cultivating it or paying revenue on it?* But that is not necessarily the same as answering the more fundamental question, *whom will the state protect as the owner against*

competing claims? India's existing system emerged historically from institutions in which land was above all an object of administration and revenue. The Indian subcontinent had sophisticated traditions of land measurement and revenue collection long before British rule, while the colonial state expanded and standardised systems of surveys, settlements and land records across different regions. The zamindari, ryotwari and mahalwari systems differed significantly from one another, but all reflected the overriding administrative importance of knowing how land was organised and from whom revenue could be collected.

A revenue state, however, is not necessarily a property-rights state. A revenue record answers the question, *whom should the government collect from?* A genuine title system answers a different question: *whom will the government protect as owner?* Those questions overlap, but they are not identical. This helps explain one of the great paradoxes of Indian land administration. India inherited and developed an elaborate bureaucracy for surveying, describing and recording land without creating a universally simple and state-guaranteed system of establishing ownership. NITI Aayog's discussion of land titling reflects precisely this problem. India's system relies heavily on registered transactions and revenue records, but neither necessarily provides the kind of definitive ownership guarantee associated with a conclusive-title system.

Independence did not simplify this inherited architecture. Instead, it transformed land relations repeatedly. Zamindari abolition altered the legal position of millions of acres. Tenancy reforms, land ceilings and redistribution programmes created further changes in ownership and possession. Consolidation programmes, inheritance, partition and private transactions added new layers. Urbanisation converted agricultural land into residential and industrial land. Governments acquired land for dams, roads, factories and public infrastructure. Forest laws and legislation concerning tribal and customary rights created further categories of claims. Each of these interventions addressed different political questions, but together they produced an increasingly complicated legal history. A single parcel of land could acquire a past involving an old settlement record, a tenancy claim, inheritance, partition, sale, mutation, acquisition proceeding, conversion order, mortgage and court judgment.

Indian landownership can therefore sometimes resemble an archaeological site. A modern purchaser may have to excavate through decades of documents to establish whether every link in the chain of ownership was valid. The twentieth century repeatedly asked who *ought* to possess land, but India never fully carried out the separate and much more difficult administrative exercise of saying, parcel by parcel, *here is a single, authoritative and state-guaranteed answer to who owns what*. The result is not simply a colonial legacy, nor simply the consequence of socialist land policy. It is the cumulative consequence of colonial administration, post-independence social transformation and decades of transactions layered onto an institutional structure that was never comprehensively rebuilt.

THE FACTOR WE NEVER LIBERALISED

The economic significance of this problem became increasingly obvious after liberalisation. India could dismantle industrial licensing by abolishing licences and could reduce trade barriers by changing tariffs. Land was more difficult. A market cannot function efficiently if the object being traded is itself legally uncertain. India liberalised capital, industry and much of trade while leaving one of the most important factors of production within an institutional architecture built around fragmented documents and presumptive ownership. Poor land records and uncertain titles increase transaction costs, contribute to litigation, discourage investment in improvements and complicate the use of land as collateral. NITI Aayog has explicitly linked the presumptive-title system to tenure insecurity, disputes and difficulties in accessing credit and investment.

This is why the usual case for land-titling reform, that it will make it easier to acquire land for factories, is correct but inadequate. The same institutional reform would also help a farmer mortgage his land, a family sell inherited property, a middle-class buyer purchase a house, a lender assess collateral and a municipality plan infrastructure. Conclusive titling is fundamentally not a reform for industry. It is a reform for certainty. Industry benefits from certainty because it is one of the largest consumers of land. But the ordinary citizen benefits for exactly the same reason.

DIGITISING AN AMBIGUITY

India has already begun moving toward a solution. The Digital India Land Records Modernization Programme seeks to modernise land administration through the computerisation of records, survey and resurvey, integration of textual and spatial information and linkage between registration and revenue systems. One of its longer-term objectives is to facilitate a transition from the existing system of presumptive titles toward conclusive titling with a title guarantee. This is a significant ambition, but it is important not to confuse digitisation with the solution itself. A digitised inaccurate map is still inaccurate.

An outdated mutation remains outdated when placed online. A disputed boundary remains disputed after it has been scanned. A scanned ambiguity is still an ambiguity. Putting bad records on a website does not create property rights. It only makes uncertainty searchable.

Putting bad records on a website does not create property rights. It only makes uncertainty searchable.

A genuine transition to conclusive titling therefore requires something more demanding. Records have to be reconciled. Parcels must be accurately surveyed and mapped. Competing claims need an opportunity to surface. Disputes must be adjudicated. Eventually, the resulting record must become authoritative. And if the state is going to ask citizens to rely on that record, there must be consequences when the state gets it wrong. This is the most important feature of NITI Aayog's proposed **Model Conclusive Land Titling Act & Rules**. The model framework envisages the preparation of records of title, the recording of disputes and encumbrances, opportunities for claims and objections, dispute-resolution mechanisms and the eventual attainment of conclusive title. It also contemplates indemnification as part of a system in which the state stands behind title information when the institutional conditions for doing so exist.

This changes the philosophical meaning of the property system. Under a purely presumptive system, the state may effectively say: *this is what our records show, but you must establish whether the records are legally sufficient*. A genuine title guarantee moves closer to a different proposition: *you are entitled to rely on what the state officially tells you about the property*. If the state makes an error, the citizen is not necessarily expected to bear the entire institutional cost. That raises a simple and surprisingly radical question. Why should citizens have to insure the government against the government's own failure to maintain reliable records?

WHOSE FAILURE IS THE CITIZEN INSURING?

This is where the case for conclusive titling becomes a particularly strong one for libertarians. The conventional libertarian argument for property rights is that secure ownership creates incentives, encourages investment and facilitates exchange. All of that is true. But the more fundamental argument is that a state which claims the authority to tax, regulate, acquire, survey and record property has a corresponding obligation to define property rights reliably. A state that says it protects private property cannot indefinitely evade responsibility for answering what property actually belongs to whom. Conclusive titling is therefore

a demand for a state that performs one of its most fundamental functions competently.

At the same time, the reform has a powerful egalitarian case. Wealthy individuals and corporations can often survive uncertainty. They can hire lawyers, commission title searches, employ surveyors and absorb the costs of litigation. A marginal farmer or middle-class homebuyer often cannot. For many Indian households, land or housing represents the largest asset accumulated across generations. A dispute over title can therefore threaten not merely an investment but a family's savings, inheritance and security. Ambiguous property rights operate, in this sense, as a hidden regressive tax. The richer you are, the easier it is to protect yourself from uncertainty. The poorer you are, the more devastating uncertainty can become.

This makes conclusive titling unusually capable of appealing across ideological boundaries. The libertarian can support it because it strengthens property rights. The social democrat can support it because ordinary citizens should not require wealth or political connections to establish what is theirs. Farmers can support it because more secure and transferable rights can increase the usefulness of land as an asset. Urban homeowners can support it because buying property should not require reconstructing half a century of legal history. Businesses can support it because predictable ownership reduces transaction costs. Even fiscal conservatives have an interest in the reform, because a government that maintains a public information system should bear some responsibility for ensuring that the information is reliable.

CERTAINTY IS POLITICALLY DISRUPTIVE

The greatest difficulty, however, is that certainty itself can be politically disruptive. The existing system allows some contradictions to remain unresolved until someone has the resources and incentive to challenge them. Conclusive titling forces a more uncomfortable question: whose claim is actually valid? The answer may threaten politically powerful occupants, expose fraudulent transactions, reveal historical administrative errors or create conflicts between recorded ownership and long-standing possession. Ambiguity is inefficient, but it can also be politically convenient.

Nor can India simply declare its existing records to be conclusive. That would risk converting historical injustice into digital permanence. India contains customary rights, forest rights, tenancy arrangements, informal settlements and claims based on long-standing possession that may not be adequately reflected in existing official records. A

careless titling programme could simply freeze the advantages of those already best represented in the administrative system. The objective must therefore be certainty **after** a credible process for establishing rights, not certainty instead of justice. This is precisely why the transition envisaged in the NITI Aayog model involves the preparation and publication of title records, opportunities for claims and objections and mechanisms for resolving disputes before legal conclusiveness is reached.

The twenty-first century's great land question is increasingly institutional rather than distributive: *how can anyone know, with finality, which land they own?* India has spent decades redistributing, inheriting, selling, acquiring, converting and regulating property. What it has not yet fully created is a nationwide system capable of providing a definitive, reliable and enforceable answer to the most basic property question.

That is why conclusive titling should not be treated as merely another item on an "ease of doing business" checklist. It is a foundational reform. A functioning market requires reliable objects of exchange, a functioning credit system requires reliable collateral, a functioning urban system requires reliable boundaries, and a functioning conception of private property requires something that citizens must be able to know what belongs to them and rely on the state to protect that answer.

A SIMPLER PROMISE

India's great land reform of the coming decades should therefore not begin with another argument over whom to dispossess or whom to enrich. It should begin with a simpler promise. Once the state has done the work of establishing ownership, the citizen should not have to spend generations proving his property against the state that records it. The government must stop being merely a collector of information about property and become a reliable guarantor of property rights.

That would make it easier to build factories. But that would almost be a side effect.

The deeper achievement would be that, after centuries of measuring land, taxing it, regulating it and recording it, the Indian state would finally be able to look a citizen in the eye and say: **yes. This is yours.**

Sources. Department of Land Resources, *Digital India Land Records Modernization Programme*, Ministry of Rural Development; Ministry of Law and Justice, *The Registration Act, 1908*; NITI Aayog, *Model Conclusive Land Titling Act and Rules* (2019) and "Land Reforms"; National Council of Applied Economic Research, *Land Records and the Land Administration System in India*, Working Paper 133 (2022).

Gandhi's English Word for Swaraj Was Anarchy

BY RANGARAJ

Rahul Gandhi went looking, in a video circulating this month, for an English word for Swaraj. Gandhi had already supplied one, and it is the word Indian politics least wants to hear.

Gandhi's English word for Swaraj was **anarchy**. Not chaos, but the absence of rule by a coercive state. Tax-eaters have long performed one of their oldest semantic tricks on that word: they redefined anarchy as chaos, and so made the alternative to government sound like social collapse. Economics has a less hysterical name for the same thing, spontaneous order; biology calls it emergent order. Bees and ants do not elect a supreme bee, appoint an ant minister or pass five-year plans for honey production. Order emerges from decentralised action, and its foundation is simple: the right to exit.

Gandhi was remarkably explicit about where this led.

If national life becomes so perfect as to become self-regulated, no representation becomes necessary. There is then a state of enlightened anarchy. In such a state everyone is his own ruler. ... In the ideal state, therefore, there is no political power because there is no state.

That is from *Young India*, 2 July 1931. He was equally suspicious of the expansion of state power — “I look upon an increase in the power of the state with the greatest fear”, and, more bluntly, “the state represents violence in a concentrated and organized form.”

There is something wonderfully inconvenient about Gandhi here. The man routinely presented as the apostle of political independence was imagining something considerably more radical: independence from politics itself. Thomas Seeley observed the same principle among bees, finding that scout bees operating without a leader avoid one of the great dangers of collective decision-making, the

domineering individual who suppresses the group's ability to discover alternatives. Apparently the bees never read the Constitution.

ANARCHY IS NOT CHAOS; MONOPOLY IS THE CHAOS MACHINE

The difference is path dependence. A competitive market can correct its mistakes because people can leave. A monopoly state cannot. Democratic states therefore accumulate rent-seeking institutions, clientelist networks, caste laws, quotas, subsidies and bureaucracies. Each creates beneficiaries who acquire an interest in preserving it. What begins as a temporary intervention becomes an institution; the institution becomes an entitlement; the entitlement becomes a sacred right. Call it path locking. A monopoly insulated from exit, competition and meaningful feedback does not grow more intelligent with age. It grows more entrenched.

Mises understood the importance of exit because voluntary cooperation is fundamentally different from political command. In a market, disagreement normally means separation: take your money elsewhere, change suppliers, start another business, move to another community. Under democratic statism, disagreement increasingly means something else — win the ballot box, and obtain the power to command everyone else.

Then the laws of bureaucracy arrive. **Pournelle's Iron Law:** bureaucracies increasingly serve themselves rather than their supposed purpose. **Michels' Law of Oligarchy:** organisations empower the delegates over the people who supposedly delegated the power. **Parkinson's Law:** bureaucracy expands because bureaucracy expands. Put formally, if the number of bureaucrats grows at a rate proportional to the number already employed while the quantity of actual work stays flat, the ratio of administrators to work tends to infinity. The state becomes an ingenious machine for producing administrators of problems that require ever more administrators.

Public choice theory explains why. Concentrated benefits and dispersed costs encourage organised minorities to lobby for privilege: the beneficiaries know exactly what they are receiving, while each taxpayer bears only a small fraction of the cost. Redistribution therefore expands, political privilege multiplies, fiscal burdens rise, and capital

accumulation is quietly strangled. Centralised democracy becomes extremely good at doing what its incentives require, and remarkably bad at doing what its advertisements promise.

A SERMON EQUIPPED WITH POLICEMEN

Gandhi imagined *Swarajya* as a condition in which society becomes sufficiently self-regulating that the state becomes unnecessary. Modern India heard this and responded by constructing an enormous state — rather like prescribing a fast and then serving the patient a buffet, accompanied by a gigantic tax bill.

A constitution exists to restrain the state. It was not meant to hand a temporary majority a legally sanctioned crowbar with which to pry open every minority's pocket. The moment a constitution becomes a moral scripture, it ceases to be a limitation on power and becomes a sermon equipped with policemen.

Morality does not descend from government books; it emerges from action and consequence. Karma, stripped of its metaphysical decoration, is action, consequence, and the uncomfortable waiting period between the two. No committee required, no notification issued: reality audits instantly. Mises's insight is equally inconvenient. There is no mysterious entity called collective action that thinks, chooses, ranks preferences, bears costs and corrects errors. Individuals do.

The ballot box is often presented as freedom. It can also become a blank cheque handed to strangers so that they may legally confiscate someone else's property while calling it participation. If theft is immoral privately, ink and queues do not transform it into virtue.

THE SCALE PROBLEM

Then comes the problem of size. Dunbar's number is not a constitutional recommendation; it is a warning about the processing capacity of human social cognition. At sufficiently large scales, personal knowledge, reputation, reciprocity and direct accountability disappear, and abstractions must replace relationships. Most collectivism is memory leaks with flags and anthems.

A human being can maintain meaningful obligations toward family, village, neighbourhood and professional community. The modern state then instructs him to feel morally responsible for millions of strangers whom he will never meet and cannot possibly know. The cognitive bill eventually arrives: guilt toward people you will never meet, hypervigilance toward threats you cannot verify, burnout from identities too large to maintain, martyr fantasies as counterfeit solutions, ideology as anaesthesia, politics as

compulsory religion, and finally mass anger — perhaps the only emotion that scales without immediately crashing the processor. What academics romanticise as collective consciousness may simply be a hunter-gatherer processor overheating under political central planning.

The Sentinelese therefore hold an embarrassing lesson for gigantic India: loyalty works best when it fits inside a human skull. Their community is computable. The modern nation-state asks a Stone Age processor to run a continental operating system with every background service permanently enabled — reservations, grievance bureaucracies, redistribution engines, identity politics, fiscal transfers, regulatory commands and ritualised hostility toward productive citizens. Naturally, the system freezes. Having retired God from the public square, politicians installed an emergency replacement called Nation, Society and Humanity, and asked a village brain to simulate a continent.

Finance exposes the same problem. A loan being repaid is a small miracle. In small, linguistically coherent communities, reputation is visible, property is identifiable, default is costly and trust is personal, so credit relationships stay disciplined. As scale increases, the distance between borrower, lender, regulator and taxpayer expands, responsibility becomes anonymous and losses become socialised. Then comes recapitalisation, and people who never borrowed discover they have been instructed to repay. This is not merely a banking problem; it is the scale problem wearing a balance sheet.

SMALL WORKS

Here the great project of constructing gigantic political units meets its own contradiction. Maintaining a huge centralised system is expensive, because loyalty must constantly be administered, subsidised, redistributed, regulated and electorally renewed. Tiny Britain, itself assembled from quarrelling smaller polities, once ruled oceans; gigantic centralised Russia remains trapped in the recurrent pathology of centralised power, the Ukraine war being merely its latest spectacular symptom.

The lesson is not complicated. Small works, exit works, competition works. Monopoly path-locks, and centralisation accumulates parasites. When a system becomes sufficiently large, centralised and insulated from exit, democracy can give people the right to choose their rulers without giving them the right to escape the rule.

Hoppe smiles. Gandhi, inconveniently, was already there. And the market keeps rediscovering the principle the state keeps forgetting: order does not require a ruler.

For the deeper argument, see Hans-Hermann Hoppe, *Private Law Society*, freely available from the Mises Institute. The Gandhi passage on enlightened anarchy is from *Young India*, 2 July 1931.