

Miscellaneous Freedom are Precursor for Economic Upliftment of People in Modern Society

Prof. Subhendu Bhattacharya, Assistant Professor, Amity Global Business School, Mumbai, India,
subh.econ@gmail.com

ABSTRACT: Emancipated human beings with rational and realistic outlook can have better life than socially repressed one. A progressive society must give enough support to its citizens for physical, material, psychological and spiritual wellbeing. 18th Century philosopher Jeremy Bentham and 19th century economist John Stuart Mill described about Unitarianism concept that relied on consequentialism. Utilitarianism is welfare centric whose onus lies on economic agents whereas totalitarianism is about despotic dictatorship where people are obliged to follow diktat and relinquish freedom at the command of ruling party or authority. Debate and deliberation are perennial on upside and setbacks of communism, socialism and capitalism and which philosophy or practice is superior to other. People in modern world prefer free society and liberal democracy that upholds constitutional values, human rights and holistic wellbeing of inhabitants. Problems are numerous in modern world ranging from global warming, erratic weather, recurring natural calamities, loss of livelihood, forced migration, economic downturn, worldwide pandemic, protectionism to rise in nationalism, Islamic militancy, threat to cybersecurity, nuclear arm race and the list goes on. Crisis of 2008 global recession demonstrated fragility of capitalist system and created distrust for regulated financial market. Technological disruptions created massive disruptions and outbreak of COVID 19 contributed paradigm shift for economy, business and society. Physical restrictions opened avenue for virtual world and digital landscape got broadened. Tech driven system brought plethora of opportunities and called for new mindset, skill and competency. Any economy which would support people with basic necessities, assist in education, training and skill development and offer freedom for innovation and experimentation, get ahead in competitive expressway with emancipated and enlightened demographic wealth.

KEYWORDS: *Economic upliftment, Liberalisation policy, Market economy, Democratic freedom, Human right, Constitutional support.*

I. INTRODUCTION

Economy of a nation is not about input factors such as land area, mineral and oil reserve, stock of capital, state of technological, military power, institutional facilities and government regulation. A promising and progressive nation stands on capability of human capital. The economic success is often attributed to labour productivity, industrialization, infrastructural facility, liberalization and market vibrancy. The symbol of progress lies in liberal democracy, market economy, rule of law, fair justice, social security, equal opportunity and economically empowered populace. Freedom of people plays a vital role for thriving, advancing nation. History of the world has the testimony that nation with authoritarian rule, political dominance, social repression and violation of human right doesn't ensure lingering prosperity. At times outburst of grievances lead to a civil war and ended up in overthrowing of reigning authority. French Revolution(1789- 1799), American Civil War(1861 – 1865), Russian Revolution(1917-1923), , Chinese Civil War(1945–49) and decade old Jasmine Revolution or Arab Spring(2010) are the grim reminders of

rebellion orchestrated by people fraught with prolonged injustice, inequality and ill- treatment. Cases of social repression are plenty even in modern world as peaceful demonstration or civil disobedience is used to convey message to ruling authority that injustice, inequality and unfair treatment would not be accepted for long. World has learnt a lot about restoration of equality, liberty, justice, peace and stability. But even in 21st century, examples are a plenty where authoritarian regime, opposition less govt., sectarian politics, silencing of dissenting voices exist. There are several indices where nations of the world are ranked on the basis of freedom, quality of life, basic amenities, cost of living and other parameters. Since collapse of communism by end of cold war between mighty super powers and rise of globalization, people are more concerned about fulfillment of basic needs, security and safety, education and healthcare, decent work and dignity of life. First television, then spread of world wide web, internet connectivity, broadband service and latter explosion of social media and networking sites made people concerned about entitlement, aspiration and personal choice. People in modern society hate subjugation, state intervention, nepotism by ruling authority and crony

capitalism. The snooping habit, invasion of privacy and interference in personal matter by govt. are looked down upon. People rather care for welfare state where govt. exerts effort to defend and endorse economic and social welfare of fellow citizens. In welfare state framework, network of social institutions engages in delivering equal opportunity, equal distribution of wealth and assurance of basic provisions of life for less fortunate ones. This approach provides social insurance or safety net for common citizen. Ideology of welfare state prevalent in advanced economies of north America, western Europe, UK, and countries of Scandinavia. India is a constitution-based democracy. It offers multitude of welfare schemes for poor and underprivileged. There are policy measures to support sustainable development and inclusive growth. Mahatma Gandhi advocated stateless democracy during Indian freedom movement. He abhorred colonial practices and went against master-subject relationship. In his opinion, free people would master their own life and offer voluntary cooperation in nation building activities, exercise peaceful coexistence, maintain dignity of life to realize its real worth. 19th century German philosopher and economic thinker Karl Marx(1818-83) expressed his view against repression of working class by ruling capitalist which as per his view would lead to class struggle. In his book *Das Kapital*, he referred that class conflict would eventually overthrow ruling authority and establish socialist society where oppression would be extinct and equality would be maintained. But Socialist Soviet Russia and Communist China defied Marxian ideology and repression became common phenomenon in these two Asian nations. There is always doubt on stateless society as absence of governance might lead to anarchy and rise of evil power. Democracy is perceived as superior to autocracy, plutocracy, monarchy and oligarchy. Democracy is for the people, by the people and of the people and it provides constitutional rights to inhabitants of nation. It provides support to human right values and go against discrimination with respect to caste, creed, colour, linguistic, religion. Democracy eliminates hindrances for social, economic, political freedom and people feel free to pursue their area of interest in study, occupation, settlement and recreation. The combination of liberal democracy and market economy generally breeds innovation and competitiveness. People feel secured in democracy where govt. is not corrupt, judicial and law enforcement agencies are unbiased but stringent and all are treated equally in the eyes of law. Meritocracy is also highly valued where nepotism is negated and opportunity is offered on the basis of merit and not through connections. That society is ideal where people will be law abiding, respect social norms, avoid wrong doing or act of insurgency but at the same time they will be practical, innovative, trustworthy and industrious. If govt. inculcates transparency, integrity, accountability, fairness in its regular affair and course of operation, people will imbibe this attitude and make it work in their process and pursuit. There is a positive correlation between economic freedom and happiness or wellbeing. The

countries that held top ranks in Economic Freedom Index such as Singapore, New Zealand, Australia and several Scandinavian nations which did well with respect to rule of law, govt. size, regulatory efficiency and open market also received better ranking in world happiness report. Rule of law entails property rights, judicial efficacy and govt. forthrightness as well as integrity in official affair. It offers profound sense of security and mental relief to common citizens. Physical property right ensures individual authority over material belongings. Intellectual property right eliminates duplicity and encourages constructive creativity or innovative ingenuity. Public trust in elected members, absence of bribe and corrupt practices, transparency in policy making exercise, legitimacy and openness in civil service generates goodwill for economy and provide feel good factor in social life. If higher tax rate comes along with social security to tax payers, people remain less worried about economic or environmental uncertainties. Constitutional values should be upheld by elected members and electorates alike. There should be no obstruction or prohibition in religious rites, rituals and practices unless they cause disturbances, tension or nuisance or hamper peace, stability and harmony of social life. In modern society, people should get liberty about academic pursuit, religious rituals and business operation unless they cause negative externality. The business with value proposition should get license and supply of utility services without much delay. But businesses with pernicious motive or malicious intension such drug smuggling, human trafficking, organ stealing, illegal arms dealing, cyber hacking, unauthorized gambling should be prohibited by law. If illegal activities receive free rein and operates freely, grey economy would get stronger and jeopardize unadulterated systematic economic activities. In democratic country, judiciary, legal, monetary and administrative machinery or institutions such election commission, central bank, central investigation agency, police administration should be kept autonomous, free from political pressure and should not be misused by ruling party.

OBJECTIVES OF THE STUDY

The principal objectives of the research paper are expressed below-

- i. To show that the freedom of liberal democracy can help people to reach their potential
- ii. To highlight the types of freedom that can enable people to secure economic wellbeing

II. LITERATURE REVIEW

In the working paper titled 'Free to Trust? Economic Freedom and Social Capital' by Niclas Berggren and Henrik Jordahl published in Uppsala Universitet in January 2005, trust was given due importance in economic functionality. As per authors' narrative, trust on economic institutions hold paramount significance. In their point of view, legal framework, judiciary system and security of property rights

are instrumental in creating credibility of economic system in the eyes of common citizen. Various factors were analysed in order to find out trust driven economic freedom such as size of the government, legal facility, sense of security through property right, access to financial resources, scope of international trade, level of trade barriers, bilateral or multilateral access to capital market, regulation prevalent on credit, labour and business etc. Cross country Economic Freedom Index and trust factor was compared. It was categorically mentioned that social trust is the driving force behind economic progress, trade proliferation, political stability, health and happiness of inhabitants of the nation. In the paper titled Aid, economic freedom, and growth by Jac C. Heckelman and Stephen Knack published in Contemporary Economic Policy, it is elucidated that foreign aid is doled out by donor nation to recipient one when there is serious approach on policy and institutional reform. There was search for information since 1990-2000 to find evidences where aid was conditional to economic freedom. There were a greater number of cases where foreign aid led to economic freedom and improvement in economic environment. Aid works well for nations where democracy is fostered, institutional facility is prevalent, market liberalization is promoted and economic growth is given prime importance. In the article by Atanu Dey(2015), Why freedom is the key to India's economic success, published in World Economic Forum(WEF), author referred that India became politically independent after departure of British 68 years ago but economic freedom is still a far cry. There is an overwhelming need to draft a new constitution which would empower people rather than government. Soviet style socialist pattern of society, command and control approach, license-permit-quota restrictions thwarted economic progress till liberalisation. India's competitiveness is abysmal in global field. India is resource rich nation and had a higher per capita income than China in 1980. But in 2015, India lagged five times back in same account. India fell short on multiple parameters such as level of transparency, human development index, happiness index, ease of doing business, entrepreneurship and economic freedom index. As per suggestion of author, India can ameliorate economic performance, if it concentrates on structural change, non-discriminatory practices, freedom of speech, property rights, labour law reform and most significantly economic freedom. In the research article by Leandro Prados-de-la-Escosura(2015), published in WEF, economic freedom is described in terms of absence of intervention and devoid of compulsion in economic decision making exercise. In authors opinion, economically free country busks in the glory of security in private ownership of property, enforcement of contracts, stable price for goods and services, reduction in barrier to trade, efficiency in resource allocation driven by market forces. In the historic journey of economic freedom, it is found that economic liberty made a steady progress for OECD nations from mid of 19th century to World War (WW) I of 1914. In the 20th century, economic

freedom confronted obstructions due to WWI (1914-18) and later uncertainty caused by great depression in 1929. World War II caused further damage to economic liberty as interdependence among nation got hampered when atmosphere was heavy with mutual distrust and scepticism. Economic freedom augmented in later part of 20th century and accelerated its pace in early phase of 21st century. Countries in the western hemisphere specifically in Europe and northern America went ahead and scored high in economic freedom through adaptation of capitalism and free market economy.

III. METHODOLOGY

In this research, qualitative descriptive process was followed. To receive first hand data, questionnaire method was carried out. There were 12 questions pertinent to the topic of the research. The sampling was convenient in nature as questionnaire was circulated among known people of different age groups. There were about 120 respondents who participated in the survey operation. Their opinions were tracked through answered questions. Answers were analysed and interpreted systematically to assess the views shared by respondents. The answers revealed mindset of people in favour of liberal democracy. Freedom is a subjective concept. The explanation and expression of it varies from person to person. There is upbringing, education, environment of person and social customs and conventions confronted have some bearing in developing ideology of freedom. Aspirations of socially conscious and technologically empowered people are delineated in analysis and interpretation. It had been epistemological journey all through as gathering of knowledge relevant to the topic was done painstakingly. Positivism was at the core of research architecture as entire process remained logical and scientific. It was more of empiricism and in absence of any speculation. The research possesses inductive attribute. It initiated with construction of questionnaire. Process gained traction with finding categories that led to determining or detection of a theme and finally went ahead in search of a suitable theory. Enough secondary data were checked during literature review. Secondary data were accessed keeping in mind their validity and authenticity. Revealed outcomes were narrated in lucid description. Further study can be pursued in this theme which would add value to research rigour.

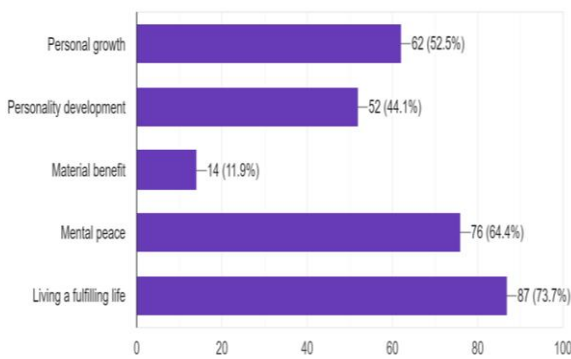
IV. OUTCOME OF SURVEY OPERATION

The questionnaire was set for people across all age groups and all walks of life. Out of 120 respondents, majority i.e., about 66.4 percent was from the age bracket 20 to 30 years. Less than 20 constituted about 10 percent, 30-40 age group had 8.4 percent, 40-50 had 9.2 percent, 50-60 had 3.4 percent and above 60 had a slim 2.5 percent participation. So clearly the opinions and views are shared by millennial and Gen Z in great number and participation of Baby boomers and Gen

X were quite less. Male respondents held 56.5 percent and evidently superseded fair sex in survey operation although difference was not enormous. Occupation wise students took the lead with 41.2 percent participation, close on heels private sector employees with 40.3 percent weightage. Self-employed stood at 12.6 percent on same count and public sector employees held lean 4.2 percent whereas NGO workers and home makers tallied at miniscule 0.8 percent. So, the survey had a clear dominance of students and private sector employees. In terms of perception of freedom, majority (58.5 percent) cared about power of selection for future course of action, followed by liberty to wear dress, eat food, visit places, follow or unfollow religion. The third highest preference went for work life balance and next two preferences went for living in the city of choice and ability to take vacation personally convenient time. As students has substantial participation, power of selection about subjects to study or course to pursue received 30.5 percent weightage in response. Surprisingly, liberty to spend time in virtual world received barely 15.2 percent when digitization is ruling the roost and gaining momentum with ever expanding virtual world. The next diagram highlights the reasons behind requirement of freedom.

Diagram I: The need for freedom for serving purposes

Freedom is mostly needed for



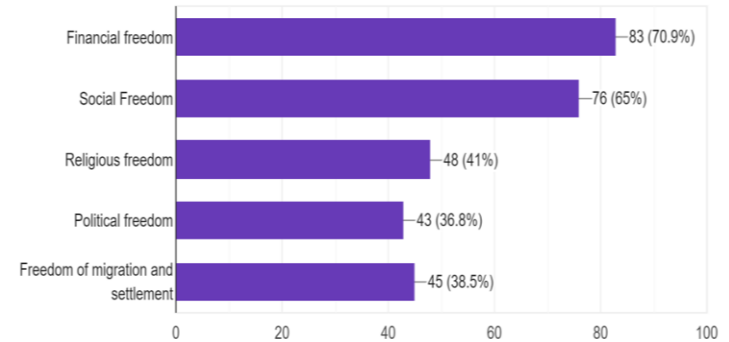
Source: Google form survey on freedom as a precursor of economic upliftment, June 2021

Above diagram demonstrates that freedom is mostly needed to live a fulfilling life. It is true that life stifles and suffocates in subjugation and slavery. Personal growth takes the second lead with 52.5 percent weightage. Freedom assures mental peace. This is most coveted possession that received 64.4 percent weightage. Mental peace is less like to attain in captivity or under oppressive repression. In absence of relaxing state of mind, people are bound to make a mistake or take a wrong decision. Freedom is crucial and plays a pivotal role in personal growth. Personality stays twisted and retarded in absence of independence. Freedom is also equally important for personality development that appeared with

fourth majority with 44.1 percent frequency in response. Freedom appeared least in preference with 11.9 percent weightage in the context of material benefit. It is true that, in presence of private property norm, inheritance can happen or wealth can be attained even in authoritarian regime. The following diagram choice of freedom as there are the classifications in it.

Diagram II: The choice of freedom

Which freedom is most significant?



Source: Google form survey on freedom as a precursor of economic upliftment, June 2021

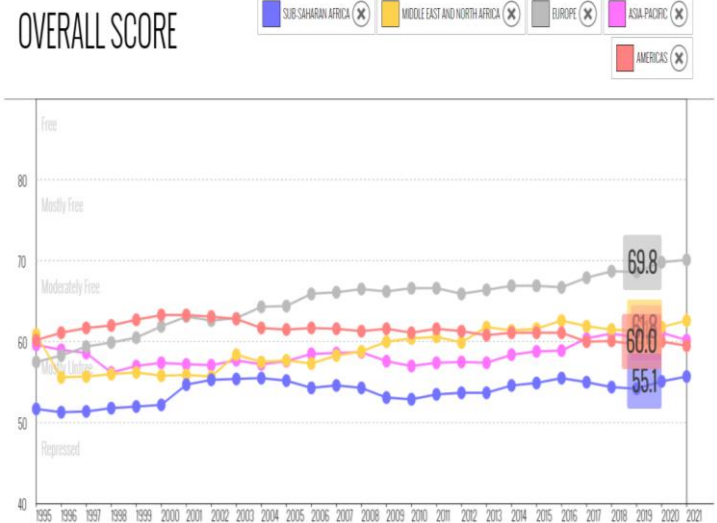
The above bar diagram depicted it clearly that financial freedom is of highly valued and mostly sought after. Financial freedom liberates mankind from gruelling job, living from paycheque to paycheque and uncertainty. It compels people to lead life full of unhappiness, anxiety and at time soul crushing humiliation.

ANALYSIS OF REFORM BASED ECONOMIC PROGRESS

Although freedom is subjective and abstract, it acts as basic ingredient for personal growth and reaching full potential of the person. It is applicable to all and sundry. Sense of freedom makes a difference and marks an impact in capability of work force. Industrialization might have brought huge transformation for economy, market and society. But the style of command by capitalist class and subjugation of impoverished working populace should not be considered as benchmark. If economic progress works for handful of people, then it would cause more social tension. People in today's world are more entitlement concern. The world has shrunk to great extent through mass media initially and later on through satellite telecommunication, world wide web, spread of internet and pervasive use of social media through hand held devices. Atrocity and injustice towards people get flashed in social media and networking sites in no time. Sometimes ruling authority impose blanket ban on use of internet to restrict publicity of social uneasiness and unrest. Dictatorial power doesn't like dissenting voice. Whenever people fight back and take out rally, military crackdown

happen to quell the tension. This desperate cover up happens to send stern message to revolting group and maintain image in front of international bodies. In countries like Saudi Arab, Egypt, China, Russia, people are persecuted and ostracised to eliminate opposition and sustain command of ruling power unhindered and unabated. In recent time, countries from developed to developing categories observed public demonstration in protest against unfair act, newly imposed restriction, deep seated societal divide and incompetency of govt. Incompetency of incumbent authority is not only looked down upon but also protested with street rally. Protest by people of Minsk protested since September 2020 against rigged election and inept leadership at Belarus, citizens of Lebanon took to streets in August 2021 to show anger over inadequate investigation for explosion at Beirut and economic hardship, citizens of Hongkong put up pro-democracy movement since 2019 and fought against draconian new security law which was to enforced by unscrupulous Chinese authority to snatch away autonomy of Hongkong. People of South Africa revolted in July 2021 in riot as economic crisis and pandemic restrictions hurt quality of life badly and scarcity for basic necessities became widespread. Thousands of Brazilians took to streets in July 2021 against healthcare mismanagement and economic misery suffered under the leadership of president Jair Bolsonaro. Cuban people took out rally in 2021 against communist govt. for first time in 60 years and clamoured against shortage of bare necessities, deplorable healthcare facility of the nation that experienced prolonged economic sanction. Dissenting voices were heard in Paris, Berlin and other prominent European cities where COVID restrictions hampered freedom of travel and exploration of places. ‘Black life matter’ rally in US and other parts of world in 2020 post brutal treatment to George Floyd which caused his death and ‘Taking the knee’ gesture before football match during tournament or Olympic event in 2021 was poignant signal for correction and removal of deep-rooted racial discrimination prevalent in the society. To make society inclusive, biases towards gender, race, income status, social standing and ancestral background should be disregarded and demoted. In the following diagrammatic presentation, line diagram demonstrated time series trend line of continent wise economic freedom.

Diagram III: Time series trend line of economic freedom for continents of the world



Source: 2021 Index of Economic Freedom, The Heritage Foundation, heritage.org, June 2021

Economic freedom is outcome of several factors such as belongingness of property, judicial uprightness, fairness of govt. functionality, tax reasonability, rationality in govt. expenses, fiscal discipline, business freedom, autonomy of labour force, unbridled monetary exercise, free trade practices, independence in investment decision and financial freedom. In the two-dimensional line diagram, it is evident, Europe performed superlatively in most of the metrics and improved steadily since 2016. Middle east and north Africa appeared second best in economic freedom and somewhat superior to America which showed declining tendency since 2016. Asia pacific did well and grew steadily since 2013. Sub Saharan Africa lagged behind and remained more or less same since 2000. The same metrics could be used to evaluate country wise performance. It is also found that countries with higher Human Development Index (HDI) such as Norway, Ireland, Switzerland, Iceland, Germany, Sweden, Australia, Netherland, Denmark offer better freedom for social wellbeing. HDI is comprised of parameters like life expectancy at birth, anticipated years of schooling, per capita gross national income in purchasing power parity term. It definitely exhibits govt. concerns for superior human capital development. Aspiration of citizens of modern civilised world wants to live life free from repression, oppression, restriction and deprivation. Day by day, people are concerned about environmental issues, bio sphere challenges, shrinking green coverage and disturbance for mother nature that provides life support system. A progressive world should spare a thought about environmental protection, non-conventional energy resources, use of green technology, slavery and subjugation free society, care for downtrodden and underprivileged, equitable distribution and discrimination free social and institutional framework. A free society which presents high mobility, fundamental and constitutional right, freedom of choice for economic, financial, social, political matter would pave the way for growth and prosperity for inhabitants.

Freedom of all sorts should not spoil people, destabilize national integrity and create anarchy. There should be collective sense of social order and civic discipline. Freedom rather reinforces moral standing, intellectual competency, technical ability and virtuous inclinations of people which would bolster national prosperity.

V. CONCLUSION

Significance of freedom is utmost in progressive time and in modern society. People in captivity or in subjugation are unable to reach their potential. They act as per directives of the ruler. It is evident that capitalist system and societies are liberal and offer more freedom than its communist and socialist counterpart. History bears the testimony of several systems and lives pursued under each category. The comparison is stark between utilitarianism and totalitarianism. Utilitarianism offers freedom and people can serve their own interest and capitulate enjoyment and satisfaction without any hindrance. But indulging in hedonistic behaviour will lead to aberration and can prove to be detrimental. Marxian stateless society might be oppression free or without any subservience but absence of law and order would accrue no good to anyone. It may rather steer the society towards lawlessness, anarchy and decadence. Authoritarian rules are abhorred by majority of the masses even if it ensures security and safety in return. There are numerous evidences across decades and across continents that absolute authority leads to corruption and crony capitalism when common people stay away from light of progress and prosperity and continue life in utter misery and deprivation. Empowerment of people should be state responsibility. Growth of economy should not be limited in statistical records such as GDP growth rate, rise in per capita income, swelling foreign exchange reserve, volume of trade or hike in tax collection. There should be improvement in ranking at several indices such as human development index, index of economic freedom, ease of living index, world happiness index etc. More emphasis should be given on per capita consumption of food, energy, water etc and at the same time how equity can be maintained in distribution of basic necessities. Entitlement is necessary element for wellbeing of people and it should reflect in access to education, healthcare facility, safe drinking water, sanitation and inoculation facility. Govt. and ruling authority would have to ensure constitutional rights, human rights and basic necessities of people irrespective of economic downturn, pandemic, natural calamity or any exigency. Economy will thrive when demographic dividends are reaped. More than paper it should be followed in practice. Just like physical infrastructure, national security, liquidity into market, govt. should be mindful about knowledge and skill development of people and channelise workforce in productive remunerative work. In modern economy, along with food, cloth and shelter, broadband connectivity and internet facility are equally important to serve them with benefits and opportunities of digitally connected world.

REFERENCES

- [1] Azman-Saini, W. N. W., Baharumshah, A. Z., & Law, S. H. (2010). Foreign direct investment, economic freedom and economic growth: International evidence. *Economic Modelling*, 27(5), 1079-1089.
- [2] Berggren, N., & Jordahl, H. (2006). Free to trust: Economic freedom and social capital. *Kyklos*, 59(2), 141-169.
- [3] Carlsson, F., & Lundström, S. (2002). Economic freedom and growth: Decomposing the effects. *Public Choice*, 112(3), 335-344.
- [4] Carter, J. R. (2007). An empirical note on economic freedom and income inequality. *Public Choice*, 130(1-2), 163-177.
- [5] Dey, Atanu(2015), Why freedom is the key to India's economic success, *Global Agenda*, World Economic Forum, November 4, 2015
- [6] Doucouliagos, C., & Ulubasoglu, M. A. (2006). Economic freedom and economic growth: Does specification make a difference?. *European journal of political economy*, 22(1), 60-81.
- [7] Dreher, A., Gassebner, M., & Siemers, L. H. (2012). Globalization, economic freedom, and human rights. *Journal of Conflict Resolution*, 56(3), 516-546.
- [8] Faria, H. J., & Montesinos, H. M. (2009). Does economic freedom cause prosperity? An IV approach. *Public Choice*, 141(1), 103-127.
- [9] Heckelman, J. C., & Knack, S. (2009). Aid, economic freedom, and growth. *Contemporary Economic Policy*, 27(1), 46-53.
- [10] McMullen, J. S., Bagby, D. R., & Palich, L. E. (2008). Economic freedom and the motivation to engage in entrepreneurial action. *Entrepreneurship Theory and Practice*, 32(5), 875-895.
- [11] Sturm, J. E., & De Haan, J. (2001). How robust is the relationship between economic freedom and economic growth?. *Applied Economics*, 33(7), 839-844.
- [12] Prados-de-la-Escosura, Leandro(2015), A history of economic freedom, *Geo-economics*, World Economic Forum, November 25, 2015