



Growth, Prosperity and Freedom

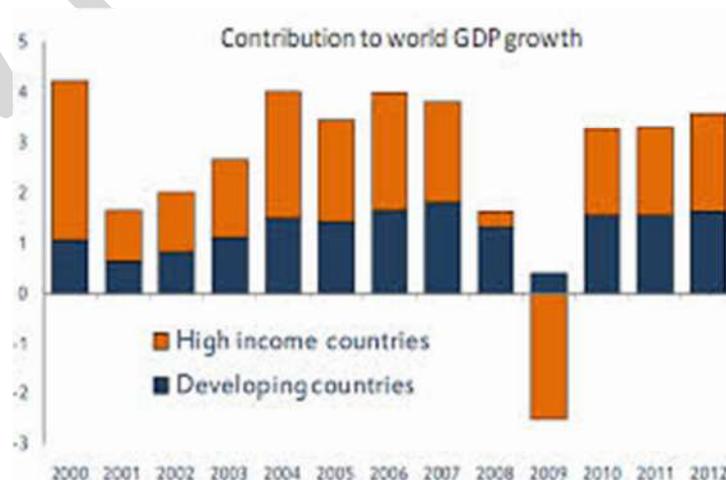
Introduction:

Growth means significant quantitative change in the society with respect to production, population or other social variable. Prosperity is the state of material well being while freedom signifies increased scope of human action due to declining constraints. In contemporary times, prosperity is closely associated with growth since former is mainly defined in terms of material advancement over the time, however association of these two with freedom is ambiguous. The question that these three social values always sync together or there can be disconnect among them is important for our understanding about how nations follow different trajectories of progress and what makes them different. Three possibilities emerged with regard to above question; 1) some nations do exhibit the coexistence of three social values like developed countries e.g. Denmark). These nations not only experience the higher economic growth but also concomitant increase in material well being and enlargement of people's freedom to pursue their life goals; 2) Some nations (India, Brazil) shows the weak coexistence hence economic growth and prosperity does not correlate fully with greater freedom; however 3) there are many nations (China, S. Arabia) where quantitative growth and material prosperity does not translate into greater freedoms for people.

1) Growth and prosperity supports greater freedom

The developed countries of the west shows significantly positive relation between three variables. Historically, these countries (e.g. Denmark, Norway and U.K) have experienced fundamental transformation in their socio-economic situation due to early onset of industrial revolution. This historical advantage coupled with positive population/resource ratio and technological development resulted into consistent progress in economic growth and prosperity (Fig 1). However the factors which made their link

Fig1: Relative growth of developed and developing countries (2000-12)



With freedom positive in contemporary times are:

- Enlightenment as a cultural movement first took place in societies of these countries, hence modern values particularly related to freedom like individual rights, civic rights and autonomy inspired social change in them.
- Stable political system with commitment towards democratic values. As this commitment entailed achievement of freedom in all its dimension as social goal, the citizens generally enjoys greater socio-cultural, economic and political freedom. e.g. Human development Index of these countries is always higher.
- Economic constraints to freedom was overtaken by distributive policy so that fruits of economic growth flows to people leading to higher general prosperity and greater freedom.
- Relatively powerful position of these countries in international arena with respect to developing countries provided them greater freedom to them to shape their developmental goals.

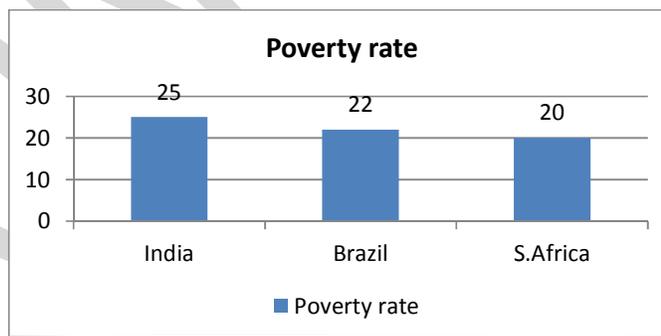
2) Growth and prosperity weakly correlated with freedom

The developing countries like India, Brazil and South Africa have in recent years experienced economic growth and prosperity but it does not converted into greater freedom for large number of population of respective countries. It is evident from the economic condition of the large section of people who are living below poverty line. While economy of developing countries like India, Brazil and South Africa have been growing (fig 2) in recent years, the poverty which undercuts substantial freedom to larger section of population remained an unchanging reality.

Fig 2: Table showing economic growth and poverty rate of three countries.

Year	India	Brazil	South Africa
2007	9	6	4.7
2008	7.4	5.7	4.3
2009	7.4	-1	-2
2010	7.1	5.2	4.5
2011	6.8	4.1	4.7
2012	6.5	4.1	3.4
2013	5.1	4.1	3.6

Source: World Bank



Various reason which can be identified to explain this state of affairs in developing countries are:

- The benefits of economic growth in these countries have not percolated down to the masses due to rigidity of institutional factors like caste, gender and regional hierarchies in society.
- Economy did not follow the conventional path of development i.e. growth of industries followed by growth in service sector. Instead in these countries development of industrial sector is bypassed by growth of service sector.
- Perseverance of informal economy providing low wage, low efficiency work to vast number of workers e.g. India (93%), Brazil (43%) and South Africa (30%). Informal employment by nature is irregular and unsecured hence denying the economic freedom to large section of people.
- Another dimension which can be taken as indicator of relative freedom can be social well being of these countries indicated by Human development Index. These three countries have medium human development e.g. India (.568), Brazil (.744) and South Africa (.658) in 2014.

3) Growth and prosperity with lack of freedom to majority

Very broadly we can assess the socio-economic situation of some countries which reflect the condition of relative lack of freedom to majority even in presence of higher economic growth and prosperity. These countries (China, S. Arabia) though can be put into category of developing countries but level economic prosperity achieved by them put them closure to many developed countries. However when it comes to basic freedom like freedom of speech and expression, they lag behind developing countries. The GDP growth rate of China have average over 10% over last thirty years while of Saudi Arabia it is 5.3 percent since 1970. This high level of consistent growth have brought relatively higher prosperity and standard of living for people. However when it comes to basic political and social freedom these countries lagged behind in crucial aspects. They are known for lack of legal recognition of human rights. Various reason that can be attributed to this state of affairs:

- Historically the political system of these countries are governed by rigid political framework of either religion or ultra-radical ideas. Democratic current never touched the political shores.
- Lack of democracy inhibited the spread of ideas related to social and political freedoms.
- Economy is strictly controlled by the government which discourage private initiatives.

Conclusion

Thus it can be said that though in some instances economic growth, prosperity and freedom can complement each other but this is not rule as seen from state of developing societies. Hence economic growth and prosperity though indispensable but not sufficient condition for ensuring freedom in society.

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