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# Aspiration, Freedom, and Growth

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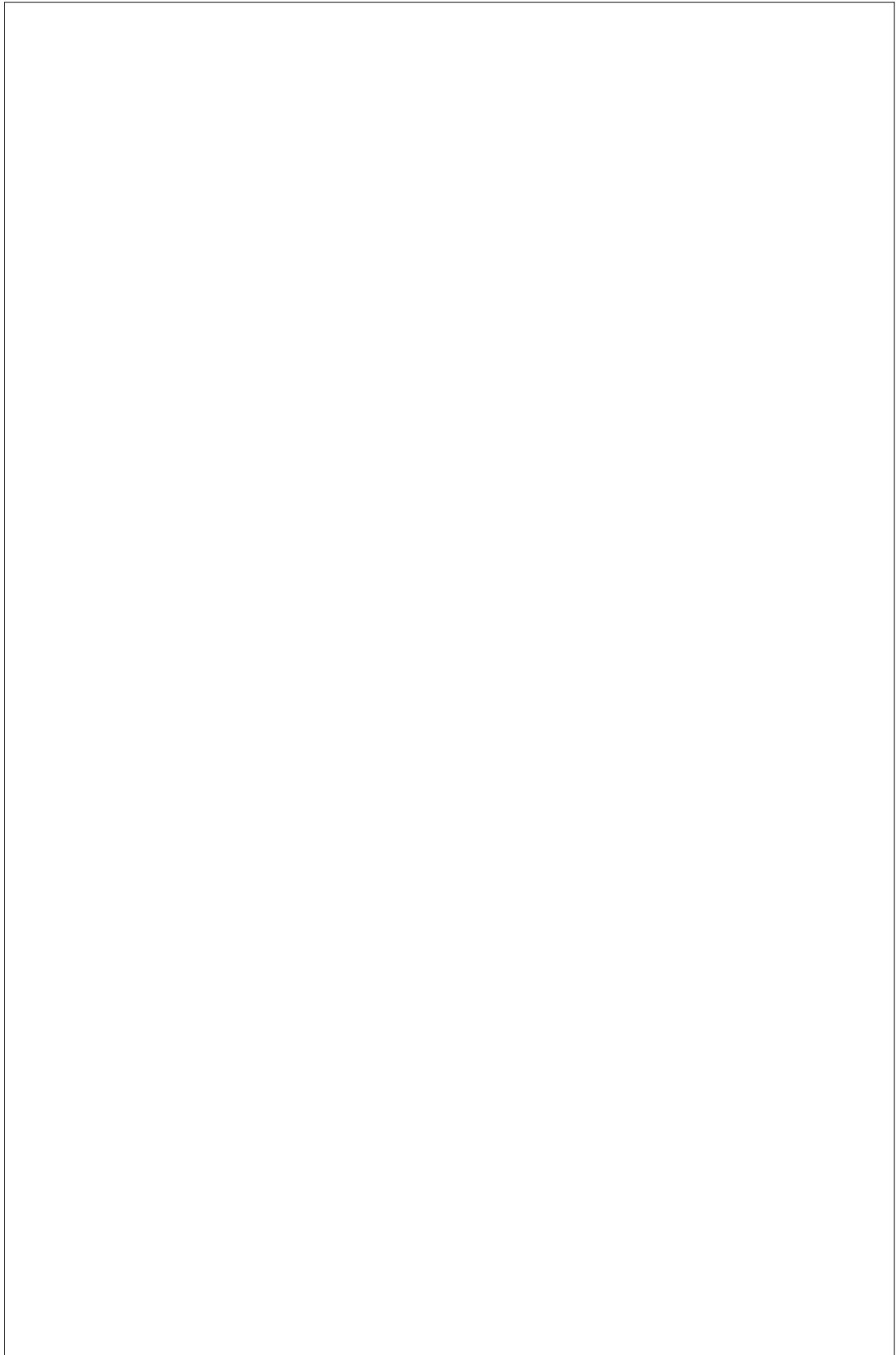
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# Aspiration, Freedom, and Growth

MOHIUDDIN ALAMGIR

## Introduction

It is a pleasure to share my thoughts with all of you at this conference. My association with BIDS is long-standing since January 1, 1966. From PIDE to BIDE after liberation and BIDS today, the path has been eventful. I feel fortunate that I am still around to participate in BIDS events. This lecture relates to aspiration, freedom, and growth. I will begin with aspiration as the fifth factor of production, going on to the aspirational drive for freedom from colonial bondage that created space for growth and development under outstanding dynamic leadership to overcome the dehumanizing influence of colonialism and face up to post-colonial struggles for statehood, good governance, and democracy, riding up the trajectory of sustained growth with declining inequality and poverty reduction.

This paper defines aspiration and maps out how aspiration promoted growth in post-colonial societies which suffered from exploitation by Spain, Britain, France, Portugal, Belgium, and Italy from the days of Christopher Columbus. The paper anchors growth and development in aspiration as a determinant. I will bring to you country case studies, particularly reflections from countries with which I am most familiar, working in those places at various stages of my professional life. In talking about aspiration, freedom, and growth in post-colonial societies, I will share with you what I have observed in places as far apart: Fiji in the Pacific and Amazonia in Latin America; Mali with the Tuaregs and Afghanistan watching caravans of Kuchis from a distance wondering where they are coming from and where they are going; watching the little children of Eritrea going out early morning and returning noontime with water on donkey back too exhausted to go to school and farmers taking their produce to markets on bicycles on the highlands of Sichuan in China; the struggling people on the mountains of Nepal and highlands of Ethiopia and Usangu plain in Iringa and Mbeya regions of Tanzania; jungles of Solomon Islands; isolated pockets of extreme hardship from nature and civil war in Algeria; and denuded mountains in Timor Leste. My back hurts today that I can barely stand to speak, having

taken punishment from thousands of kilometres of treacherous roads through mountains, forests, gorges, and deserts in so many countries that I can barely count. Yet I can report that I was thrilled to feel the pulse of nations that thrived on people's aspiration to surmount difficulties seeking freedom from slavery to suppression and paving the way to growth and prosperity. I have felt their pain and suffered frustrations with them in the field. I have observed from close quarters that people never give up. The more you try to push them down, the stronger their response is. I am battle-hardened but happy to note that in my own land, the authority protects people's aspirations in so many ways though there are apparent problems. My appeal is for freedom; let people's aspirations fly its course and achieve the impossible. Given the quality of leadership that we have, our people can do even better than what they have done before.

This paper is about oppressed people aspiring for freedom and growth. I have a genuine issue with colonialism that dehumanised people, took away their liberty, stole their wealth, and undermined their past, present, and future. The colonial power used Religion (Catholicism) in the name of civilising people. The paper asserts that the colonizers alienated people from their own ancestral land and forced them to work on it as free labour. To establish their hegemony, the colonialists decimated people, importing slaves to fill the labour gap. Instead of love and humanity, hatred and divisiveness prevailed across the globe. The colonial power created exploitative intermediaries outside the local population and the elite to dominate and marginalise the majority. Spain brought the legendary Aztec empire to its knee with help from local adversaries of the Aztecs.

The blood and sweat of the common folks in India paid for the industrial revolution in Britain. The colonial power relegated the Black people in Africa to the homelands to make way for vast fertile land space for white farmers.

The paper highlights that history has shown no one could suppress the people-driven aspiration for long. People rose from ashes to forge ahead, clearing the path for freedom and prosperity. While the merchant elites of Calcutta colluded with the British East India Company, Mir Jafar and his collaborators sided with Lord Clive to defeat Nawab Siraj-Ud-Doulah, eventually paying the price of betrayal. Mahatma Gandhi, Bangabandhu Sheikh Mujibur Rahman, Reverend Martin Luther King, and Nelson Mandela

relied on people's aspiration to defeat the colonial conspiracy to keep people chained in servitude.

The leadership facilitates pursuing higher-level needs that inspire people, the community, and the nation to move undauntingly to achieve their aspirations. Through country case studies, this paper explores the role of leadership in pursuing people's aspirations. Also, the paper offers Bangladesh's progress in pursuing people's aspirations under inspiring leadership as a role model to assess the journey of other developing countries in Asia and the Pacific, Africa, and Latin America and the Caribbean.

The history of the aspirational struggle of the people of Bangladesh, under the inspirational leadership of Bangabandhu Sheikh Mujibur Rahman, started in the 1950s with the language movement, and culminated two decades later in a successful liberation struggle in 1971, thereafter laying the foundation of a prosperous nation in the 1970s, with halting progress at the beginning compounded by the brutal murder of the Father of the Nation in 1975, but unleashing people's aspiration to take off along an accelerated path of growth (7% + average) and poverty reduction (50 per cent) through the 1980s, 1990s, 2000s, 2010s till today. The aspirational progress of Bangladesh was largely home-grown, achieving outstanding success in agriculture and food production and population control, two of the last dictates of the Father of the Nation in 1975 before his demise. The paper points out how the history of Bangladesh under Bangabandhu Sheikh Mujibur Rahman stands out as a unique model of aspiration, freedom and growth that could be a universal guiding light for all developing countries.

The paper concludes on the theme that aspiration has given us a dream that one day Hindus and Muslims, Jews and Muslims and Hindus, Muslims, Jews, and Christians along with peoples of all divides will live in the fraternity of humanity merged in love, affection, and goodwill for one another, defying colonial and neocolonial forces burying the so-called Washington consensus thousand feet under the ground never allowing it to perpetuate neocolonial hegemony through local collaborators.

The paper is long. Allow me to draw attention to a few highlights.

### **Aspiration Defined**

Aspiration is the fifth factor of production beyond land, labour, capital, and technology. People's aspiration has an all-encompassing impact on production by increasing land, labour, and capital productivity, making management more effective and dynamic and expanding capital base by raising the marginal propensity to save. As a determinant of growth, aspiration measures the intensity of people's desire to do better. It is relevant to the population in general without class bias, without focusing on the middle class alone. Aspiration is a class struggle to eliminate the ills of inequality and poverty, paving the way for opening opportunities for all to move up the income and wealth ladder.

A nation may be doing well but seems to be doing better with higher levels of people's aspirations. People aspire for more inspired by strong leadership extolling them to do better. On the other hand, a poor society will do less well because poverty stifles dreams and kills aspirations. Authors including Garance and Ray (2014) caution us that though aspiration has a positive impact on investment, too much aspiration may lead to frustration. The capacity to aspire is strong among the rich than in the poor (Appadurai, 2004). However, when the poor and rich converge on a dream to constitute social aspiration, there is no bound; society may wish to reach the moon or achieve the impossible.

There is an analytical foundation of aspiration's link to growth within the Solow framework, for which I refer you to the paper.

### **Aspiration and Poverty**

The link between aspiration and poverty is very humane. People always aspire for the better. People are never satisfied with what they have. People want to go beyond their limits and explore how they can improve their status. Poverty is not something that anyone aspires. Poverty reduction, too, is a shallow concept, not worth aspiring to. The poor consider poverty a conditional subjugation. All individuals want their family to eat well, wear better clothes, have necessary health care and education and access to clean water and social services. No one is interested in a so-called poverty line



defining their human existence. It is for the academicians to define the poverty line as they wish and use multiple measures to explain different facets of poverty. For normal families, poverty is a state of mind. Poverty is a matter of perception. Poverty is a state of the pain of individuals and members of their families: the pain of hunger, disease, illiteracy, or lack of education and skills, unemployment and underemployment, isolation, alienation, violence, exploitation, and extreme vulnerability to climate change and natural or human-made disasters.

Different people deal with pain differently. The pain threshold defines poverty. Minority individuals have a high pain threshold, for others, a moderate or low. A person feels poor when the person crumbles under pain, and there is no mechanism to relieve the pain that is material and psychological. In general, people aspire to remain above the poverty pain threshold. They work hard and struggle against all odds to avoid pain in any form or shape. Intrinsically they reject poverty as a state of mind. They do not want to call themselves poor. They do not want to feel poor even if pain hurts them the most. Like a mother, the nation and its leaders should feel the pain of the poor and treat them with care so they can get up and running in no time. Prolonged poverty is prolonged pain; so, one must avoid it. People's aspiration soothes the pain, and, in turn, helps the poor to regroup and strategize to overcome poverty.

People's aspiration provides a cushion against three-pronged challenges, namely, Covid-19, conflict, and climate change. With facing new challenges, people are likely to strive harder and raise the level of their aspirations providing a great impetus to sustain gains in poverty reduction even with intermittent setbacks.

### **Aspiration and Inequality**

We now turn to the question; how does aspiration relate to inequality? Individual aspirations are aggregated to become social aspirations: The societal goal of economic growth is the aggregate of an individual's desire for income growth. So, individuals, alone or in the social aggregate, aspire to higher growth which will assure better life than where individuals and society are now. The distributional growth outcome could be equal, greater, or lower

inequality than the initial. The growth outcome will depend on the initial distribution of income, growth pattern and individuals' concern for relative ranking. Changes in growth and inequality are related, and the relationship is strong.

In Africa, decolonisation led governments to take measures to fulfil people's aspirations, as reflected in an improvement in income distribution in 24 out of 35 countries with data, even though poor governance and corruption have plagued these countries. The negative factors played a strong role in the worsening of income distribution in 11 countries. What is common in these countries is a colonial legacy and land relations, dualism, regressive taxes, unresponsive wage structures and inadequate investments in education, health, and social protection for vulnerable and marginalised groups.

The Latin America and the Caribbean region reflect features of Africa, except that the dominant forces shaping the destiny of the population were the Spanish conquistadors and the Catholic Church, which worked in tandem to exploit and enslave the people. People's aspiration for better life and freedom was totally frustrated, except for favoured groups of Spaniards and Mestizos. Decolonisation led governments to take measures to fulfil people's aspirations, as reflected in the improvement in income distribution in 16 out of 19 countries with data, even though there were policy gaps and structural shortcomings. The most dominant factor in Latin America explaining poverty and inequality is the marginalisation and exclusion of ethnic minorities, which is a legacy of colonial exploitation and injustice, victimising the Aztecs in Mexico, the Amazonian populations in Brazil, the Mayan population in Belize, the Aymara and Mapuche population in Chile, and in Colombia and elsewhere. There are Afro-descendant populations across Latin America and the Caribbeans who are ignored in every way as though they do not exist. Population censuses fail to count them.

As in other areas showing negative outcomes, the worsening of income distribution in Costa Rica, Jamaica, and St. Lucia is due to colonial legacy and land relations, dualism, regressive taxes, unresponsive wage structures, and inadequate investments in education, health, and social protection for vulnerable and marginalized groups. Main poverty pockets in Costa Rica are

far from the socially more developed San José metropolitan area. Social expenditure is lacking in delivery and quality.

### **Aspiration and Growth**

I will now elaborate on the relationship between aspiration and growth.

People's aspiration is the capital for socioeconomic advancement, transforming a struggling economy into a growing economy defying all impediments. Participation and inclusion will provide the motif force for people to unite and surge ahead. There is no scope for hesitation, no scope for self-doubt, and no going back as people's power takes over. The indomitable spirit unleashed by people's aspirations is the P-force, the force of the people. It will guide a country's development journey uninterrupted by the fusion of economics, technology, policy, and politics and sustainability from economic growth to accelerated economic growth, eventually to steady-state economic growth. The fusion of economics, technology, policy, politics, and sustainability will create the thrust of the P-force propelling a country like Bangladesh, for example, along a high growth trajectory. It is the theoretical construct of the concept of people-driven growth.

In application, this theory works through production function and production possibility frontier. People aspire to grow. They aspire to grow faster, resources and technology permitting. Beyond a point, further growth may not be feasible given resource and environmental concerns. At every stage, early growth, accelerated growth and steady-state growth, people's aspirations will guide the pace and content. If the economy were to slow down into a steady state due to environmental considerations that would reflect people's aspiration to live in a clean environment. Both objectives and subjective considerations, including the economic calculus of profitability of the market, will determine the demand for a cleaner environment. A degraded environment is bad for profit. In this multi-dimensional decision space, politics and policy will help reach convergence to equilibrium.

Cross-country evidence shows that, in some countries, such as Bangladesh, growth has been associated with poverty reduction while inequality increased, which goes to show that the poor did not benefit as much as they could have if they were able to capture a larger share of the pie

which would have been realised had the poor led the growth process or actively participated in the growth process. The garment industry has been a major source of growth in Bangladesh. The gain mostly accrued to the owners, and the fortune of the millions of female workers changed only marginally, again coming under international pressure to increase wages and benefits and to care better for workers' well-being in terms of health and safety.

Growth driven by the poor will ensure inclusive growth. Colonial powers never wanted that because they consolidated rule by coercing the elite into the position of power and the middle class in managing administration, mostly revenue collection. Bangladeshis came out of this trap through aspirational communication, which aimed to motivate people of all ranks to support the cause by appealing to their hopes and values. Bangabandhu raised people's aspirations. Bangabandhu understood people's aspirations, set the goal accordingly and succeeded in achieving them. People fought for themselves, motivated by the mission defined by Bangabandhu that connected with their aspirations. With liberation achieved, the current leadership has succeeded in turning people's aspiration for better life defined by the nation's journey from poverty to prosperity with well-defined goalposts along the way lower middle-income country to a developed country.

In Bangladesh's remarkable development experience, one can clearly read the underpinning of an inclusive model of growth and development and the virtue of people's aspiration as the driver. GO and NGO forces, the private sector, MSMEs, and the informal sector drive Bangladesh. Wherever you look, you see people working, travelling, and trading in whatever it might be. Overseas work has taken a beating, but it will be back, again leaning on a private and public network and a favourable attitude of the receiving countries towards Bangladeshi workers because of their reputation as hardworking and talented workers.

People's aspiration has led to the rapid growth of the private sector in Bangladesh, contributing to accelerated economic growth and development. Aspiration has led women to become independent entrepreneurs thanks to credit, technology and service support from microcredit institutions, NGOs, banks, specialised financial institutions, and the Bangladesh Bank. Despite

reservations, the microcredit revolution has fuelled people's aspirations in Bangladesh and added value to GDP growth, the fifth factor of production. Years back, I estimated the contribution of Grameen Bank to the GDP of Bangladesh, which I think was quite significant.

Even under difficult circumstances, the government has shown keen interest in living up to People's aspirations. When donors declined to finance the Padma Bridge in 2011 on the pretext of corruption, the government decided to finance the Bridge from its own resources. Take a ride out and see the wonder in progress, thanks to our Prime Minister's courage and foresight.

### **Aspiration and Colonial Legacy**

The fight for supremacy against colonialism was a long one whose scars colonial societies will bear for generations to come because colonialism's evil face remains unchanged and appears and reappears in different shades.

Colonial domination across the globe found its match in people's aspirations led by visionary leaders. The collective willpower of people was such that no force, physical, psychological, or financial, could challenge it. One by one, all colonial powers, including Britain, France, Spain, Portugal, Netherlands, Germany, Belgium, Turkey, Italy, Russia, and Japan, succumbed to people's aspirations for freedom. People's aspirational quests for freedom won over the colonisers either through armed or unarmed confrontation or with or without intermediation by any international organisations like the United Nations.

Decolonisation started with the United States of America in the 1770s, followed by the breakup of the Spanish empire in the 19th century, egged on by the French Revolution; the breakup of the German, Austro-Hungarian, Ottoman and Russian empires happened after World War I. The disintegration of the British, French, Dutch, Portuguese, Belgian, Italian, and Japanese colonial empires followed World War II. People's aspirational thrust broke down the Berlin Wall on the way to uniting the two Germanys and liberating newly independent states of Eastern Europe and Central Asia from Soviet dictatorship.

The Haitian Revolution of 1789, which paved the way for independence from France in 1804, is a prime example of people's aspiration for freedom from exploitative power. As was the first Indian revolt in 1857, culminating in a peaceful quest for freedom under the non-violent leadership of Mahatma Gandhi, who clearly exposed to the people of India the exploitation and plunder of the country by the British. A similar arousing of the people of Bangladesh was done by an equally charismatic leader Bangabandhu Sheikh Mujibur Rahman, who waged a struggle against Pakistan on the platform of a six-point demand for autonomy. Denial of the demand for autonomy led to a liberation war in 1971 with the participation of all people, resulting in the independence of Bangladesh.

The Algerian people, imbued by the aspiration for freedom, came out victorious in a war from 1954 to 1961 against the much-entrenched brutal French regime. The brutality of the French could not subdue the aspiration of the people of Algeria. The sunset on the white racist rules in Ghana, Kenya, Zimbabwe, and South Africa was under the pressure from people's aspirations led by inspirational champions like Nkrumah, Jomo Kenyatta, Mugabe, and Nelson Mandela. One can recall such aspirational struggles across the globe, especially in Latin America, Central America, and later Africa.

Empirical evidence shows countries have gone through different shades of difficulties during the post-colonial period, depending on resource transfer by colonial power and the state of institutions, and the level of economic development at independence. The colonized countries fulfilled their aspiration for freedom but that was only the first step because of immediately confronted with challenges of state-building, nation-building, governance, democracy, food security, economic management, law and order, threats of insurrection, civil conflict over ideology, resources, and power-sharing and, above all, socioeconomic development. Every continent and every decolonised state needed time for the peaceful pursuit of participatory growth and development with an improved quality of life and reduced inequality, poverty, and marginalisation. It is a new call for freedom riding on people's aspirations for a better life and power sharing.

A simple illustration of people's pursuit of post-colonial aspiration is in the growth of per capita income and poverty reduction. Regional variations apart, all regions have done well except Sub-Saharan Africa, which has experienced stagnant per capita income but made gains in poverty reduction. The challenges faced by the ex-colonies are apparent from the exploitation they suffered during colonial rule.

Post-colonial Africa's agony is a colonial legacy, structural (semi feudalism and de-industrialisation and arrested industrial growth) and governance-related.

Agriculture and mining were the two most important productive activities in the tropical forest zones, with West Africa being the main supplier of gold to Western Europe. In pre-colonial Africa, Agriculture was extensive. More land could increase production when productivity declined in the original land. Cultivation was rainfed without machine tools, fertiliser, or irrigation. It was not a lack of land, but a lack of labour that held up production.

The 18<sup>th</sup>-century African slave trade was profitable. But, with abolition, it had to go through the commercial transition by commodity exports (Frankema & Ewout, 2015) based on land-intensive forms of tropical agriculture reinforced by the establishment of colonial rule over the African interior (c.1880-1900), which used forced labour. African commercial transition got a boost from rising demand for industrial inputs and cash crops from industrialising countries in Europe, supported by the transport revolution (railways and steamships), trade liberalisation, and GDP growth.

India dominated British imperial trade, North Africa (e.g., Africa) the French. Thus, India and Africa supported the industrial revolution in Europe and Britain. Improved transport and health and life-saving quinine reduced costs of doing business. Net barter terms of trade improved for sub-Saharan Africa from the 1790s to the 1880s and declined thereafter till the 1940s forcing "...African farmers, European planters and mining firms specialised more and more in commodities as they became worth less and less." The specialisation was consistent with African comparative advantage and worked against manufacturing.

French colonies are all over North Africa, West Africa, Central Africa, East Africa, and the Indian Ocean. The French implemented an assimilation policy with the goal of providing non-Western peoples with the cultural characteristics of Europeans. Assimilation policies implied the imposition of direct, centralised French control, including a centralised educational policy. The education system provided minimal training in basic skills, as the British did to keep the cost down. This pattern continued until the Second World War.

Algeria epitomises the brutal face of French colonisation in Africa. Historical roots of Algeria's poverty go back to French colonisation in 1830, which created landlessness of Algerian farmers anchored in dispossession from their land, which was handed over to European settlers.

Enslavement of Africa by France continues through alternative channels. France forces fourteen African nations to pay Taxes for the benefit of “Colonialism”, holding national reserves in France since 1961. The former colonies paid a colonial debt for infrastructure built by France, allowing France to exercise the right to exploit the natural resources of the colonies while claiming the privilege of preferential treatment to French interests and companies in public procurement. Through political, security, economic and cultural ties, France maintains a tight stranglehold in Francophone Africa. (Promskaya, 2015).

All colonial powers exploited Africa, killing people, enslaving people, extracting wealth, and distorting economic structure to the advantage of the mother countries. King Leopold II of Belgium created a personal territory called the Congo Free State, which exploited ivory and rubber through private concessions and abused local labour causing estimated millions of dead and injured.

Portugal was brutal in its colonial exploitation of small colonies of Cabo Verde, Guinea-Bissau, and São Tomé and Príncipe in West Africa and the much more extensive but undeveloped mineral-rich colonies of Angola and Mozambique in southern Africa. The Portuguese captured and enslaved people from these countries and sent them to the Americas. They extracted gold and diamonds from these colonies.



The British approach to the colony was indirect rule using local intermediaries and collaborators to acquire territories, control and administer these, as the colonist extracted resources which they transported and transferred to England while suppressing opposition in the colony with a strong hand. Missionaries were to provide education to the people, later taken over by the government, ensuring a minimum level of education to the Africans not meant to be a ladder for upward mobility nor a pass for joining the ruling gentry. British desire for natural resources, slave labour and political dominance had a sustained destructive impact on colonies, including racial discrimination as in South Africa.

Despite post-colonial difficulties, African countries pursued their aspiration turning into the twenty-first century, experiencing mostly growth in per capita GDP except for recent Covid-linked years. High performers are Benin, Burkina Faso, Morocco, and Kenya. Income inequality remains high across Africa, a legacy of colonial rule, which distributed land and other wealth unequally among native and white populations, mostly favouring white populations and local native collaborators. Out of 35 countries with data, income inequality increased further in 11 countries between 2000 and 2018 because of government policies but declined in 20.

Selected case studies of Ethiopia, Uganda and Ghana show the resilience of countries against all odds to perform admirably in the trend of income inequality, GDP, agriculture growth and poverty during the 1990s and 2010s.

Turning now to Asia and the Pacific, we find development literature has tended to characterise pre-colonial societies as primitive, traditional and backward, requiring a big push to move ahead. An objective view shows colonial heads changed a well-developed pre-colonial mode of production for their benefit and to impoverish the colonists as growth was anaemic and economic activities extracted wealth to facilitate accumulation in the colonies of the colonizers.

The post-colonial journey of Asia is stimulating in terms of growth and poverty reduction, though inequality has been sticky. The growth performance of countries from Bangladesh to the Philippines has been nothing but less than spectacular. Among 24 countries with data, poverty

increased in one country in the Asia and Pacific region between 2000 and 2010s. All remaining 23 countries reduced poverty very markedly, which makes Asia the leading region in poverty reduction.

Income inequality remains moderate to high across Asia and the Pacific, a legacy of colonial rule which favoured one group over the other through various types of land tenure arrangements, as with permanent settlement in Bengal Presidency in 1793. Out of 24 countries with data, income inequality increased further in four countries between 2000 and 2018 because of government policies but declined in 20.

British, Dutch, Spanish and French colonial powers started with trade routes ending up in annexation of territories turning colonies into commodity export specialisation into rice, rubber, sugar, and tobacco. Indigenous industries were replaced by imports. "...the trading pattern of the region by and large has continued to be one of producing and exporting raw materials and importing manufactured goods. Only Singapore has reached an advanced level of industrialisation..." (Britanica.com, Economy of Southeast Asia). The incorporation of Southeast Asia into the world economy led to the creation of class distinction and the rich-poor divide, giving rise to the impetus for the political independence of most of the countries of the region after World War II.

Post-colonial Southeast Asia has done well. Members of the Association of Southeast Asian Nations (ASEAN) have grown faster than other countries of the region and South Asia with diversified industries and agricultural processing. The most significant increases have occurred in Singapore, Thailand, and the Philippines. It is another story of the rural society in the region, in which, under colonialism, smallholder and tenant agriculture became more commercialised and exposed to the world market and economic instability. Rent/tax liability caused land alienation enabling landlords to take control of more and more land, as smallholders had to become tenants and tenants became labourers. More importantly, landowners became stronger with the backing of the state, with the result that 67 per cent of households in Cochinchina became completely landless by the 1930s.

Southeast Asia emerged from colonial rule with a strong aspiration to get rid of the imbalances created by the British, French, Dutch, and Portuguese. The challenges were many, most important to begin with was to eliminate the misconception that these societies were primitive and backward. The region had to deal with the situation in which it was trapped in uneven class-based unequal development, based on a one-sided trading relationship of supplying raw materials and importing manufacturers. Southeast Asians aspired for greater equality, reduced poverty, and a more balanced production structure away from, for example, rice dependence.

Diversification into industries has been another aspiration, though progress is uneven, with only Singapore making strong headway. There was also an expectation that post-colonial governments would be less exploitative of the peasantry in terms of tax burden and support for the landlord class in its exploitation of the peasantry. There was aspirational pressure on households to have better access to land through reforms and better conditions of cultivation with a reduced burden of levies and rent. The vast sea of the landless was looking forward to having access to public land.

Historically, in pre-colonial India from Indus Valley Civilization to 1700 AD, the Indian economy was very well developed, with good trade relations with other parts of the world. India was one of the largest economies in the world from the end of the first millennium BCE to around the beginning of British rule in India (Bairoch, 1995).

Most of the subcontinent became reunited under the Mughal Empire by the late 17th century, becoming a large manufacturing power in the world, producing a quarter of global GDP before fragmenting over the next century under the British colonial annexation (Madison, 2007). The Bengal Subah, the wealthiest of all had advanced, productive agriculture, textiles, and shipbuilding (Pandey, 2017). By the 18th century, Mysore became an important economic power, but the process of Indian deindustrialisation and cessation of various craft industries started with British rule. India's share of the world economy declined from 24.4 per cent in 1700 to 4.2 per cent in 1950 (Figure 33, Madison, 2003), and its share of global industrial output declined from 25 per cent in 1750 to 2 per cent in 1900 (Williamson & Clingingsmith,

2005). Trade relations were stifled and new industrial development fell behind though railways and irrigation investments encouraged cash crop and raw material production for Indian industry, especially jute, cotton, sugarcane, coffee, rubber, and tea. GDP per capita stagnated between 1820 and 1950, after which it accelerated rapidly (Figure 34, Madison, 2003), while the UK accelerated earlier in around 1850, gaining from wealth transfer from India.

The economic impact of the Raj debate continues about the impact of British imperialism on India. Different views prevail. Sir Edmund Burke in the 1780s and historian Romesh Chander Dutt, a contemporary of Dadabhai Naoroji in the 19th century, maintained that the East India Company had ruined the Indian economy. Indian historian Rajat Kanta Ray (1998) continued this line of reasoning.

The claim of Indian impoverishment under British rule started with Panditji (1946), followed more than half a century later by Manmohan Singh (2005).

“A significant fact that stands out is that those parts of India which have been longest under British rule are the poorest today. Indeed, some kinds of charts might be drawn up to indicate the close connection between the length of British rule and the progressive growth of poverty. — Jawaharlal Nehru, on the economic effects of British rule, in his book *The Discovery of India* (1946).

Undoubtedly, our grievances against the British Empire had a sound basis. As the painstaking statistical work of the Cambridge historian Angus Maddison has shown, India's share of world income collapsed from 22.6 per cent in 1700, almost equal to Europe's share of 23.3 per cent at that time, to as low as 3.8 per cent in 1952. Indeed, at the beginning of the 20th century, "the brightest jewel in the British Crown" was the poorest country in the world in terms of per capita income, (Singh, 2005).

Rajat Kanta Ray (1998) says the new economy brought by the British in the 18th century was a form of "plunder" and a catastrophe for the traditional economy of the Mughal Empire. Some historians link India's deindustrialisation with Britain's Industrial Revolution (Sengupta, 2010), which led to the de-urbanisation as well as replacement of India by Britain

as the textile hub of the world (Broadberry & Gupta, 2005). India supplied raw materials to British manufacturers while serving as a large captive market for British manufactured goods. The story of East Pakistan vis-a-vis West Pakistan through the 1950s and 1960s.

Indian economist Utsa Patnaik estimated the resources taken by the British to amount to \$45 trillion, taking India's export surplus earnings over the 173-year rule and compounding at a 5 per cent rate of interest (Sreevatsan, 2018).

Per capita GDP through the ages raises the question of why did the Indian economy stagnate under colonial rule? Post-colonial India started slowing under the burden of the socialist model of development with central control and regulatory impediments until 1991. Indian growth remained around 3.5 per cent from the 1950s to the 1980s, while per capita income growth averaged 1.3 per cent a year (Redefining the Hindu Rate of Growth, 2004) compared to double-digit growth in South Korea and Taiwan. Post-colonial India followed central planning and regulatory controls until the government opened the economy in 1991 with economic liberalisation policies, which led to increased foreign investment and high economic growth in the 1990s and 2000s. India's gross domestic product (GDP) grew from \$266 billion in 1991 to \$2.3 trillion in 2018, as the license raj and corruption gave way to openness and transparency.

Jagdish Bhagwati welcomed it as a move in the right direction correcting the missteps of import substitution industrialisation when domestic demand from agriculture and public savings was not growing enough and India missed the benefit of East Asian export-led development. Professor Amartya Sen viewed that there was nothing wrong with central planning as such but that it failed to invest in human development. Professor Sen acknowledges growth under reform but laments the continued neglect of investment in social capital.

Bangladesh gained independence from Pakistan riding over an aspirational armed struggle in 1971 led by Bangabandhu Sheikh Mujibur Rahman. In Bangladesh, growth and inequality moved together, but efforts driven by people's aspirations combined with the government's policy support

reduced poverty. Poverty declined at an annual average of 4.28 per cent between 1992 and 2016. Taking a longer-term perspective, one can observe an association between the democratic aspiration of the people, growth, and poverty. In Bangladesh, growth accelerated, and poverty declined rapidly since the restoration of democracy in the early 1990s. The story of Bangladesh is one of passing through successive shocks of the liberation war, losing the father of the nation, struggling through military dictatorship, and rising again, thanks to dynamic leadership and people's aspiration for democracy.

Indonesia was ruled by the Dutch colonial power from 1609 to Japanese occupation during World War II, following which Sukarno and Mohamed Hatta, nationalist founding fathers, declared independence in 1945, riding on people's aspiration for freedom. General Suharto, whose administration was supported by the US, governed Indonesia promoting three decades of economic growth with an open-door policy to foreign investment until his presidency ended in 1999, rocked by the Asian financial crisis, popular discontent against corruption, suppression of political opposition, and human rights abuses, especially in East Timor. People participated in the growth and benefited from it, but central to their aspiration was democracy, though they lived through the autocratic years of Sukarno. Multiparty democracy was introduced in 1999; the first direct presidential election was held in 2004 and every five years, the last election was held in 2019.

Following the democratic transition, the economy turned around, maintaining an annual average of growth of more than or close to 5 per cent. Poverty in Indonesia declined at an annual average rate of 3.34 per cent, between 1965 and 2019, in a period of fluctuating/declining growth rates, marginally increasing income inequality, political upheavals, oil price shock, the war in Timor Leste in the 1970s, Asian financial crisis of 1998, the global financial collapse of 2008, and a natural disaster (tsunami) in 2004.

Now I turn briefly to Latin America and the Caribbean region, a region that suffered most from Spanish greed and inhumanity and the Catholic church's complicity. But people rose to drive Spain out in the early nineteenth century, and they went through internal conflicts and revolutions, including the Haitian revolution of slaves, the Mexican revolution, and the Cuban

revolution, to name a few, before emerging as economic powerhouses, though poorly managed at times.

Spanish conquest of the Aztec empire was a tipping point of collaboration between the Catholic Church, Spain, and comprador indigenous groups, who were eager to topple the Aztecs. Across Latin America, Catholic Church and Spain collaborated closely to annihilate/subjugate the indigenous Amerindians, Spain to loot wealth, and the Church to 'civilise' the 'savage' original inhabitants through Christianity. In a letter to Felipe VI, king of Spain, Mexican President Andrés Manuel López Obrador denounced violence perpetrated by the Spanish Empire against the indigenous population. Obrador resurrected the aspiration of the indigenous population to be free by renaming the 500th anniversary of the conquest as five hundred years of Indigenous resistance. To push his point further, Mexican President Andrés Manuel López Obrador has called on the Spanish Crown and the Vatican to apologise for their roles in the conquest, but Spain declined; Pope Francis apologised during his visit to Bolivia in 2015. Speaking in Bolivia, Pope Francis apologised to the Indigenous Peoples of America for the Catholic Church's role in the 'grave sins' of colonialism (Indian Country Today, 2015).

Colonisation caused underdevelopment in Latin America through two channels, export of silver from Peru and Mexico during the colonial period and post-colonial development of the export economy, modernisation, and changed land ownership that brought economic dependence. As a result, Latin American countries had difficulty developing at a steady pace (rasputine.org, 2021). The root cause was, imperial Spain exported a command economy and authoritarian political system to its colonies combined with trade monopolies in agriculture, mining, and commerce, exercised by an imperial governor and imported and privileged aristocracy ruling over native Indians and colonists from Spain or other parts of its world empire. Spain rigidly regulated every aspect of colonial life through price and wage controls, import and export regulations, and occupational and professional guild privileges. There was nothing called "rights," only "duties." The United States model was a farfetched dream, only a few countries like Argentina attempted it with success but abusive authoritarianism entrenched in the twentieth century

across the continent under the influence of socialism, fascism, and nationalism.

The Portuguese, arriving in Brazil in 1500, imported enslaved Africans and forced them to grow sugar, tobacco, cotton, coffee and other cash crops, and extract brazilwood from the rainforest used to dye European textiles. It follows the pattern introduced by the European colonizers in the new world. The colonisers frustrated any attempt at real development, occupying the productive lands to provide raw materials and a low-cost workforce and destroying solid precapitalist social formations forcing colonised countries to become specialised in monocultures with all output sold unprofitably to homelands, large landowning structures dominated agro-export.

Latin America has shown economic growth, although the social structure imposed by colonialism has almost become permanent. The region is extremely unequal, with one of the worst income distributions in the world. Latin America went through the cycles of successes and failures dotted with debt problems and periodic hyperinflation and exchange rate crisis.

Mexico was the home of the Maya and the Aztecs. In 1521, the Spanish Empire conquered and colonised the region. True to its character, the Spanish conquistadors were after precious metals exploiting indigenous labour to extract the mineral wealth of the country in the process of decimating a large part of the indigenous population, replaced by imported African slave labour.

The Mexican War of Independence 1808-1821 was a response to people's aspiration to be free from brutally oppressive Spanish colonial rule (Russell, 2010). In its post-colonial history, Mexico went through political and socio-economic upheaval. The Mexicans resisted a dictatorial approach to the modernisation of Porfirio Diaz leading to the Mexican revolution, a lesson for us struggling under authoritarian democracy. People fought, a tenth of the population lost lives, to usher in a new constitutional regime in order to see the dominance of the Centrist Institutional Revolutionary Party in 1929, which held uninterrupted power for 71 years in Mexico as a single party, almost unchallenged until 2000, resorting to a combination of corporatism, co-optation, repression, and electoral fraud. Sounds familiar? Nonetheless, during the early decades, PRI delivered according to people's aspirations for



economic prosperity, quality of life, and political and social stability. Despite its achievements in promoting people's aspirations, PRI degenerated into an authoritarian dictatorship.

I will continue with the Mexican story because of lessons embedded in other countries. Despite high aspirations to escape poverty, the poor find it difficult to do so because of a complex web of socio-economic, physical, and environmental forces frustrating their aspiration. Economic and political agendas favour the rich while the poor, especially in poorer regions, have to contend on their own with inequality in the education system and poor access to services. The NAFTA- driven Mexico is striving for higher and more sophisticated technology, while traditional Mexico is struggling with the ground condition of primarily an informal economy of poor land, low speed, technologically backward unproductive enterprises. It is a tale of two cities. The low productivity traditional economy has difficulty competing both at home and abroad.

The Mexican case clearly demonstrates that progress forward for the country is contingent upon an effective response to people's aspirations devoid of political intricacies and unequal power-sharing. Meeting the aspirations is a shared responsibility of the people, the government, the private sector, the civil society, the international community, and the donor partners. The authority cannot shift the burden to the poor alone, nor can the poor expect the government will deliver all benefits to them on a silver platter. To benefit from growth consistent with their aspiration, the people, especially the poor and marginalised, must participate in and contribute to growth and development. Leadership must unify people in pursuit of equitable growth.

I cannot conclude my keynote speech without touching upon people's aspirations and revolution. Those of you who are students of history and those who are not, I appeal to you both to take another look at and learn from the revolutionary history of Algeria, Bangladesh, China, Cuba, Haiti, Mexico, and Vietnam. People responded to the calls of dynamic leadership to defeat powerful adversaries and lay the foundation for lasting freedom, growth, and prosperity. Post-revolutionary growth paths diverged, but people remained resolute to move ahead no matter how inhospitable the path forward was.

The Algerian revolution was an embodiment of people's aspiration for freedom and prosperity against brutally oppressive French colonial rule that spanned 132 years, beginning in 1830 and lasting until independence in 1962. The indomitable spirit of the Algerian Revolution, resilience and the unstoppable aspiration of the people were evident in how communities suffered during and survived through the civil war of the 1990s and came out swinging to stabilise their communities and lay the foundation for longer-term prosperity, making use of resources available to them. I was fortunate enough to work with five war-torn communities in 2000, conducting a participatory rapid rural assessment to prepare community development plans. It was a unique experience to see battle-scarred-people working diligently for their own longer-term socio-economic progress.

Haiti is the only country where slaves gained freedom by force following a series of conflicts between 1791 and 1804 between Haitian slaves, colonists, the armies of the British and the French colonisers, and other parties. The Haitian Revolution was the largest and most successful slave rebellion in the Western Hemisphere. The French lost in battle with the Indigenous Army surrendering in November 1803.

The Mexican War of Independence began on September 16, 1810, when Father Miguel Hidalgo y Costilla declared independence in the town of Dolores. Although the Mexican War of Independence was about the conservatives holding on to power, once sovereignty was established, the people of Mexico did not look back and push for greater reforms to address unresolved issues, including dictatorship, democracy, and land reform. Because people resented that non-national received land ownership when poor peasants had difficulty making two ends meet. The recognition of the so-called Columbus days as the Indigenous people's day across the globe reflects long marginalised people's aspirations, especially in Latin America, where Columbus and the Catholic Church imposed so much violence and hardship over centuries leading today to the call by Mexico for replacing the statue of Columbus in Mexico City by one of an indigenous woman.

The essence of the Cuban Revolution was the inner strength to withstand the US embargo for over half a century. Economic difficulties apart, Cuba emerged as a functioning welfare state.

The Vietnamese Revolution was about the mobilisation of domestic manpower and resources to defeat three superpowers, the French, the US, and China while making way to becoming one of the most prosperous states in the world thanks to a disciplinary approach to planned development and execution in an open economy framework with the full participation of the private sector as observed by me on my recent fieldwork in the country. I was amazed at the state of technology applied to greenhouse agriculture, automation, and commercialisation.

Mao Zedong's single-party state and centralised command economy introduced various socio-economic and political experiments to fulfil people's aspirations and take the country forward. These experiments produced mixed results, and the people struggled through crises but did not waver in their aspirations, nor did they abandon Chairman Mao's leadership and his dictates even if they caused hardship from time to time. Notable initiatives included the 1958 Great Leap Forward aimed at transforming China's economy rapidly from agrarian to industrial, resulting in the deadliest famine in history killing 15-55 million people between 1958 and 1962, followed by the Cultural Revolution in 1966, which lasted ten years until his death in 1976, to remove "counter-revolutionary" elements in Chinese society. Before his death, Mao opened a relationship with the United States during Nixon's visit in 1972, which was an indirect signal to China's willingness to open up to the world and the eventual economic liberalisation that followed. A quick review of Mao's policies from the early years of China to his death in 1976 and subsequent policies since then clearly delineates distinct phases.

1961-69 Boom-bust with Great-Leap Forward in backfiring.

1969-1975 Rapid decline. The Cultural Revolution took its economic toll.

1975-1978 Uncertain revival. Regrouping after Mao's death, moving towards a household responsibility system in 1978, and opening.

1978- A new China was born with confident revival, stabilisation, and rapid growth in accordance with people's aspirations and participation. People benefited from growth through a rapid decline in poverty and a modest decline in inequality followed by a recent slowdown. I have personally observed this new China in progress during my work in the country which was one of the most exhilarating experiences of my life.

### **Concluding Remarks**

I have finally arrived at concluding remarks. Colonialism had many faces, but people's aspirations had one, freedom, which will anchor growth and prosperity. Different faces of colonialism are:

France, Germany, and Portuguese - Dehumanising and abusive.

British and Dutch - Constitutional aggression through local comprador bourgeois and exploitation and transfer of wealth.

Italian - Brutal and aggressive, unnecessarily so.

Belgian - Primitive exploitation, wealth transfer and subjugation.

Colonial education across the board was more to serve than to learn. Schools taught colonial subjects so that they could become 'civilised' and learn to serve the colonial head by fitting into the lower echelon of colonial administration. Colonial subjects fitted into this schema differently from British India to Africa and Latin America.

Bangladesh was lucky to benefit from Sir Syed Ahmed Khan, the founder of the Aligarh Movement, who put all his efforts on the Indian Muslims to get an education. Years later, Sher e Bangla A.K. Fazlul Huq "... had the conviction that unless there was a development of education, the Muslim community would remain backward and weak, and would continue to be exploited by the more advanced communities. Therefore, he put all his effort into advancing Muslim education and increasing their presence in civil services."

Sher e Bangla's educational drive for Muslims of Bengal was a continuum picked up by Bangabandhu Sheikh Mujibur Rahman, who was right on the money. In "Inaugurating the first meeting of the Education Commission at

the Gono Bhaban, the prime minister says that the recommendations must reflect the hopes and aspirations of the people, particularly the younger generation in the country. It must cater to the vocational and agricultural needs of the country.” (Sajen, 2020)

Britain, France, and Dutch colonised Asia. Colonisation was the death of people’s aspirations. But people do not give up so easily on building their wall of resistance, keeping aspirations alive for freedom and prosperity. This was true of Asia, the Pacific, Africa, Latin America, and the Caribbean. The divide and rule policy of the British has left cracks in state-building in South Asia with the result that five decades after the end of colonial rule, there are still problems with democratic governance in the states of South Asia.

My fervent hope is that we in Bangladesh eventually come to terms with governance and democracy. We want good governance. We want pluralistic democracy.

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