**Lessons for economists**

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It is widely believed that a deep knowledge of the past is the key to understanding the present. Perhaps this is the reason that the history of scientific ideas is taught across the world. It helps scientists comprehend the evolution of this crucial source of modern development.

The same is the case for various disciplines of social sciences. However, it has been observed that economists and financial experts are not taught the history of capitalism in an objective way – or perhaps they choose to turn a blind eye to the rapaciousness of the system.

For the Western ruling elite – like Ronald Reagan and Margaret Thatcher – and intellectual giants – like Friedrich Hayek, John Maynard Keynes and Milton Friedman, it makes perfect sense to ignore history because their past does not only expose the plundering of the Global South at the hands of advanced capitalist countries, but ialso puts a big question mark on the tall claims of Western rulers that an impoverished and overcrowded continent of the past managed to make tremendous strides in various walks of life because of the strenuous efforts and sheer hardworking of their political and economic classes. Modern research proves these claims to be utterly absurd.

But how could the ruling elite of the Global South and intellectual minds of developing countries ignore the ruthless exploitation of Asian, African and Latin American countries at the hands of Western colonial powers that helped them develop and progress? It is unfortunate that from former Indian prime minister Manmohan Singh to ardent supporters of the free market economy in Africa and Latin America, every prominent political leader has been fascinated by this system that is historically based on injustice, oppression and outright plundering.

They blindly applied the principles of laissez-faire in their own continents, playing havoc with the lives of millions besides damaging their ecological systems. In Pakistan, almost every leader – be it military dictator General Zia or committed democrat Benazir Bhutto or messiah-for-the-people Nawaz Sharif and his rival General Musharraf or PTI leader Imran Khan – has accepted that the rule of private capital is the key to solving Pakistan’s myriad problems.

It is because of this flawed approach that, despite having severe differences on other issues, our leaders agree with each other over the policies of economic liberalism. Our economic minds and financial affairs’ giants also give the impression that our salvation lies in the hands of free markets. Their arguments in favour of the free market economy create an impression that this is the only system that could help the Islamic Republic achieve progress and prosperity.

But the question is that if the free market economy is the key to success, why are only a handful of countries prosperous? Why didn’t the goddess of wealth shower her blessings on more than 120 states of the world that have been following pro-market policies for decades? Why has this much-vaunted miraculous system forced more than three billion people of the world to live on less than five dollar a day?

It should be debated that if the advanced capitalist world is comparatively rich today, it is not because of the sheer hard work of their merchant classes; this opulence is rooted in the ruthless plundering by Western colonial and other imperialist powers. For instance, if it is researched, in a chronological order, which colonial countries got prosperous, one would find that in Europe, Portugal and Spain were the first two to gain wealth. Before the 14th century, both of these countries were poor, but after Portugal started venturing out and Spain started sending its explorers to the Americas, in the 15th century, the wealth of the two countries began to grow with the two emerging powers bringing tonnes of golds, silver and other war gains to Europe.

Such loot would be shipped to Europe. Interestingly some of these ships would be robbed by French, English, Dutch and other European pirates. One such pirate Francis Drake was also knighted by the English ruling elite. So, it was not only Spain and Portugal that were benefitting from the robbery of Central and South America, but other Western powers as well claimed their pound of flesh from this large-scale theft.

With this theft and robbery, Portugal and Spain emerged as the major European powers in the 16th century. When the Netherlands, France and the UK increased their share of plundering, they also rose to wield immense influence in European affairs. It is claimed that before the industrial revolution, more than 35 percent of the world was already under control of Western colonial powers, and by the end of World War II, this control rose to almost 85 percent.

So, if the UK is one of the richest countries on the earth, it is not because of the principles of free market economy. In reality, it was outright theft that is said to be one of the most important factors contributing to its wealth and prosperity. It is estimated that the former colonial power siphoned off around $45 trillion from India over the decades. Its economic policies ruined the Indian emerging industry that would contribute more than 25 percent to the global GDP. Also, the policies of the British led to terrible famines in Bengal, Bihar and Orissa, decimating around 35 million people.

It is true that America, a bastion of the free market, is the richest country in the world, but students of history can never forget that it is founded on the corpses of over two million Black and millions of indigenous people. The key to its prosperity was cotton production that used slave and indentured labour. Its agriculture in the south and industries in the north thrived on naked exploitation. The sugar plantation was another way of exploiting toiling people that helped not only North America but also Europe. Some historians claim that there could not have been any industrialisation in Europe and North America if there were no plantation, and there could not be any plantation without slavery.

It is also claimed that free movement of goods and capital helped these countries progress. The reality is that the US and the UK have been the most protectionist countries of the world during the early phases of industrialisation. Similarly, the economic prosperity of French society could not be understood without making any reference to their barbaric policies in Indo-China and several other French colonies where Paris employed brutal tactics to perpetuate its rule and gain economic benefits.

Japanese atrocities in Manchuria cannot be overlooked while discussing the early phases of industrialisation in that country. The US, France, the UK and other Western colonial powers collectively humiliated the Chinese who would contribute more than 25 percent to the global GDP before the century of humiliation. Belgium, which is one of the prosperous countries today, chopped off the hands and feet of millions of hapless people in the Belgian Congo.

It is quite unfortunate that when we talk about the economic prosperity of the advanced capitalist world, we think it is because of the demand and supply rules or other principles of the market economy, but the reality is diametrically opposite to what our economic minds want to make us believe. Therefore, it is important that economists and financial giants read history and Western rapaciousness before declaring the free market a panacea.

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