

Strong Economy as a Source of National Strength

Outline

Thesis Statement

Strong economy sets the base for national strength. Powerful economy strengthens institutions, increases foreign policy influence, empowers human capital, and emboldens state to fight against enemy. In order to ensure strong economy, state must have prudent policies, inclusive institutions and resilient economic structure.

→ Introduction

→ How does Strong economy become a source of National strength?

- Strengthens political institutions
- Empowers State capacity against enemies
- Ensures Human Development
- Emboldens national pride

→ Increases institutional capacity

→ Reinforces influence in the world

→ Raises Economic clout of the state

→ Fortifies state's ability to solve social issues

→ Underpins strong administration

→ Shows up educated and healthy population

→ Ensures State sovereignty through powerful military

→ Averts crises like food; natural calamities

→ Increases Adaptability of change

→ Bolsters job security, economic opportunities, etc

→ How to make Strong Economy at first?

→ Political stability

→ Inclusive institutions

→ Long-term Economic policies

→ High literacy and healthy population

→ Countries have strong economies thereby national strength

→ The US, the UK, Germany

→ China, India, Singapore, Japan

→ Scandinavian states

→ Conclusion

①

There are no two opinions over the notion that powerful economy is a source of national strength. Strong economy emboldens political clout at regional and global level. State institutions get power to fight against enemies through strong economy. If China is staring in the eyes of the US, it is possible through relentless and resilient economy Beijing has for decades. Powerful economy averts the effects of crises. Furthermore, literate population and healthy nation is possible without having strong economy at first. However, states must adopt a few policies to have strong economic structure that can increase national strength. Political stability, inclusive institutions, and long-term economic policies are steps for strong economy. There are examples of countries which have effective economies like the US, UK, Germany, China, India and Singapore.

Resilient economy

Strengthens political institutions in a state thereby national strength. Political institutions include legislature, executive and judiciary. All three basic political institutes work collectively in order to ensure and make strong and powerful nations. These organisations cannot work without strong economy.

For example, Sri Lanka has all institutions except strong economy.

Falling economic conditions engulf everything. Crippling economy cannot ensure the smooth working of political institutions. African states have political organisation but they are lacking in secure economy. That is the reason they have less national pride at regional and global level.

Strong political

institutions increase state's capacity to fight against enemies. When the state does not have enough wealth to increase its security, it is

unable to fight and defend its sovereignty at first. This will shake the national strength. Even the political leaders without strong economy get little help from abroad in wars. Political history of humankind is filled up with various examples where resilient economy paved the way for national strength. For example, the US fought against terrorists and militants who attacked its mainland. This became possible by the dint of huge defence budget of the US - \$900bn.

Similarly, strong economy ensures human development. It includes better education, health, and standard of living. Without dedicated budget for education and health, no nation can become powerful thereby call itself strong. For example Germany has 6.6% education expenditure. It is possible because Berlin has strong economy - ranks at 4th number.

A wealthy nation ensures health access to its population so that it further increases the economy. As per World Health organization,

"One dollar on health brings back three dollars in coffers of the State."

It means that an investment in health sector increases the wealth of a nation. However, strong economy can make it possible. In contrast, weak nation in terms of economy, try to ensure basic necessities let alone education and health.

Moreover, an investment in human development is a source of national pride at global level. Political and economic clout of a wealthy nation increases the national strength. For example, the United States has ^{the} strongest economy

in the world - ranks at first. It increases its political clout at global level. Most of the world nations assess themselves according to the US. It is a symbol of success in 21st century. Allies of the US follow the policy of the latter. For example, when the US disengaged with China, other states especially the UK, Australia, etc did the same. During Winter Olympic 2022, US didn't send its team. Subsequently, the UK did not allow its team to join Winter Olympics in Beijing.

Even the reports of crime against humanity in Kashmir by India's forces could not shore up the world against New Delhi because of the latter powerful economy. Pakistan remained on FATF grey list despite fulfilling the given recommendations because of Indian 'lobby' against Islamabad. As the nation has 5th largest

formulate better policies

economy in the world, no country dares to counter New Delhi. The economic clout of the US in the International Monetary Fund speaks volume.

Pakistan cannot ensure bailout package from the IMF without the help of the US. Washington has 16% vote share in the IMF.

Because the country contributes in the coffers of the lender.

This hefty amount of contribution increases the economic clout of the country thereby national strength.

A wealthy nation can tackle the social issues like poverty, illiteracy, corruption, civic problems more effectively than a weak nation having crippling economy. Economically strong country can dedicate budget for social issues. It can also strengthen institutions and administration which can formulate better policies at first.

For example, due to pandemic in 2020, Pakistan dedicated Rs1200bn for a 220 million population while the US set aside \$700bn for a 350 million nation. The inability to provide ready-cash and food items at door steps of Islamabad is because of its shrinking size of economy. While the US having strong economy powerfully dealt with social issues. China alleviated 100 million ^{people} out of poverty. Without strong economy, this miracle was not possible.

. Pakistan has been ravaged by havoc floods in 2022. As per UN estimates, \$30bn economic loss of the country has been done due to these natural calamities. One third of the land was submerged under water. Swathes of agricultural loss and human lives have been happened in a few months. As Pakistan has not a strong economy that can

deal with such crises, the effects of natural calamities might be long-term on the country. In this way, a weak economy struggles to deal with crises while a strong economy can effectively counter any issue.

A nation with resilient economy can have adaptability to change. For example, amidst global warming and climate change, Germany and Japan have rapidly adopted resilient technologies while countries like Pakistan, Ghana, Nigeria are continuously struggling to find climate finance. It is pertinent to have strong economy which can bolster the state's capability to adapt change. It also increases the job security and economic opportunities for people. For example, expatriates work in abroad. If they ^{are} ~~have~~ from wealthy nation, they get good economic opportunities in other states.

3

as well. It means that expatriates act as a symbol of national pride only and if they are representing strong ^{nations} backs.

Nevertheless, in order to make strong economy, states must need political stability at first. Without it, economic stability cannot be guaranteed.

No nation in the world could ascent to the top without stable political environment. Rapid changing of the governments in Pakistan cost its economic growth. Secondly, the presence of • inclusive institutions is the symbol of strong economy.

“Strong and inclusive political and economic institutions ensure resilient economy.”

(Book: Why Nations Fail)

States having inclusive institutions bolster up economic growth. For example, Bangladesh has 80%.

ratio of women in textile and apparel industry. The inclusion of women in economy increased the productivity of Dhaka. Currently the exports share 20% GDP of the country. However, states also need long-term economic policies in order to make resilient economy. The case study of Pakistan explains it.

The government of Pakistan artificially controlled the exchange rate against dollar in order to incentive imports for domestic production. It led to import-led economic growth of the country. Whenever governments go for economic growth, it comes at the expense of sky-rocketing import bill.

Ultimately state ends up with balance of payment crisis. To contain it, the government's ban imports which slows down the economic growth because production is coupled with importation of raw materials. The curious case of Pakistan increases the economic vulnerability of the state. Therefore, in order to

have strong economy for national strength, countries long-term economic growth to avoid boom-bust economic cycle.

The economic development cannot be sustained unless the nation has educated and healthy population. An illiterate and unhealthy people become liability for that state. Most of capital consumes in ensuring them healthy. On the other hand, literate class becomes asset for the state. For example, the US has been facing recessionary waves for months amidst high inflation and tight monetary policies. However, its skilled workforce is confronting pressure with innovative ways. The peculiar case of the US is an example where a state can sustain economy with better educated population.

There are various countries which have increased the national strength by bouncing back with strong economy. Jared Diamond wrote a book: *Upheaval: How Nations Cope with Crises and Change*. In this book, the author explained various case studies of the resilient nations which cope with unteneable crises.

For example, China, the people of which were termed as drug-addicted. However, it worked hard to make it 2nd largest country in terms of economy. Similarly, Japan after the WWII re-emerged as one of the leading power of the world.

The case of Germany which was twicely destroyed by two world wars, is a precedent for the nations. Germans are known for their hard work and dedication.

Even after bloody wars, Germany resurfaced as the 4th largest economy of the globe with resilient institutions against any change.

Frequent recessions in the US and UK could not destabilise these nations because they have strong economies. Recently, India is emerging as a leading example for developing which is increasing its political and economic prowess through rising economic growth. Scandinavian states like Finland and Sweden provides ample of precedents for strong economy links with national pride.

In a nutshell, strong economy ensures national strength in the form of strong political institutions, influential foreign policy, better capability to cope with crises, resilient administration, powerful military, educated population, healthy nation etc. For that nations need to strengthen economy by ensuring political stability, administrative inclusivity and longevity of economic policies. Pakistan needs to take a leaf from ^{book of} the US, the UK and

Japan in order to have strong and powerful economy which would embolden national strength by every means.
