

Topic: The Elements of a successful economy

good attempt

Outline

keep practising

1. Introduction

Thesis Statement :

There are various factors that downsize the economy of a country. However, the silver lining should not be left, as there are few elements, which if inculcated in a society will result in a successful economy.

2. Well-developed economy & required elements: An Overview

3. Factors that damages the economy

- The dishonest and evil character leaders wretched the economy
- Wastage of the scarce resources by poor planning
- Weak administration and policy maker contributes in devastation of economy

4. ~~The elements of a successful economy~~

- Independent central bank to craft efficient monetary policy
- Comprehensive taxation system to fund the fiscal revenue
- The scarce resources directed in efficient manner for reducing inequality

- d) Eliminating the menace of corruption from society
- e) Well-directed foreign policy for better economic prospects
- f) Political stability for the sustainability of the economy
- g) Educated the masses for well-developed and skilled work force
- h) Proper health infrastructure for well-being of work force
- i) Inclusion of woman for sustainable growth of economy
- j) Accepting and welcoming the change as per time

5. How a successful economy helps a state

- a) A successful economy ensure political stability in a country
- b) Every other country dreams of integrating with successful economy in one way or other
- c) High prestige and status is there at global level

6. Conclusion

Seven letter word economy
holds great significance as it can alter the destiny
of the country and its people. Various countries
are searching for that right formula that can guide
them toward the bright future of economy. But
their negligence leading them to be involved in
those elements, which hurts the economy. Such as
careless attitude is taken while using the scarce
resource. Weak policy maker and the ill-intentions
of the leaders make the country go to the dog. However,
one should not leave hope as the researchers and
analyst propose multiple elements which paves the way
for the establishment of a successful economy. This
includes independent central bank for monetary policy
and well-developed taxation system to aid in fiscal
policy. Reducing inequality by proper policy making
and elimination of corrupt practices. In addition, well-
directed foreign policy, political stability and acceptance
of change also play vital part. And even educated
and healthy workforce is also crucial for the
successful economy. When ~~they~~ these things are
incubated in the economy, it take them out of wood.
And so it leads to political stability, attractive for
other countries to integrate and raising the status of
the country at global forum. Hence, there are various
factors that downsize the economy of a country. However,
the silver lining should not be left, as there are few

elements, which if inculcated in a society will result in a successful economy.

There is no such algebra formula or any equation which fits with every other state to make it a successful economy. The strategy planning and techniques may differ from one state to another. But there are a set of few elements which are considered as vital for the bright future of an economy. The required elements are from many arena, such as from political, economical, social and judicial. Once these elements from diverse arena are inculcated in the economy, the result is quite wholesome for the generations to come.

~~Before digging deep into the required elements for the successful economy, a sneak peek into the factors, which are strategizing for economy. The chief factor is that the country is being ruled by dishonest and evil character person. The ruler may utilize all means for the personal benefit than state. The reason which analyst highlight for this is that evil character leaders are always into reap's the maximum outcome from the states money. They lack the patriotic element within them, that ultimately results in failsome time for the economy. Thus, the top leader dishonesty and evil character results in destruction of economy.~~

~~Not just dishonest and evil~~

Character leader leads to the sabotage of economy, but the wastage of scarce resources also result in ruining the economy. The resources that a globe and a state are limited in mean - which means wastage will deter the fulfillment of required need. As Adam Smith said that there are scarce resources in the world, so they should be used efficiently. So, the state who are into using inefficient use of resources, will definitely face firing road for success. Thereby, the wastage of scarce resource is also one of the factors which work as the stumbling block in the way of success of economy.

And so this ~~weak~~ inefficient usage of scarce resources is because of weak administration and policy maker. The weak administrator and policy maker lacks expertise to define a comprehensive road plan. And when difficulty arise so the ~~the~~ decisions are taken on ad-hoc basis. This inefficiency of such top management is devastating for the economy. Such as no such planning to tackle the flood in Pakistan leads to administrative chaos in the country, in 2022. And so, the people and economy suffered a lot. Therefore, the inefficient policy maker and weak administration, shatters the economy.

Once the factors which defect the economy are known, will make it easy to understand the necessary elements for the success of economy. The very first element for success of the economy

is the independent central bank which regulates the monetary mechanism. Usually it is seen that the head of central bank is the party member of ruling party - so they aid them in their respective decision. This create economic blunder and is sabotaging for economy. On contrary, when central bank is independent, so the monetary policy ingredients of money supply, exchange rate and interest rates are drafted in relevant manner. This is why, extreme emphasize is done IMF Programs over this. Hence, the independent central bank of the country drives the suitable monetary policy, which beneficial for economy.

The second element is the establishment of comprehensive taxation system for funding the fiscal revenue. Basically, the main source of public revenue comes from tax, which is afterward used for economic spending. So, the comprehensive taxation mechanism means that it is transparent, unbiased, for everyone, easy and not burdening much over the income. People get to know that everyone is paying tax, the system of paying it has no such bottlenecks, not a large percentage over income and the people are well aware that were this money is being spent. This thing is when implemented, results in large fiscal revenue. Thus, a tax mechanism which is comprehensive

from all angle helps in strengthening the economy.

Third element of a successful economy is the efficient use of scarce resources for reducing inequality. The limited means are converted in such a manner that need is also fulfilled, and the inequality among the society is also catered. The example of China is best in this regard. Through its policies, they were able to lift 800 million out of poverty (World Bank, 2022). And obviously, when the poverty will decrease, so would be the gap between classes. Method for this is infrastructural development, conditional cash transfer, and targeted support to disadvantaged areas. thereby, through this means the inequality can be reduced by meaningful use of scarce resources for boosting the economy.

The fourth factor of the successful economy is the elimination of menace of corruption from society. This evil element kills all the benison in the economy. As the President of Singapore described in his book that he work tirelessly for reducing corruption. Introduced the mechanism of strict accountability and publicly naming of the culprit. This all help in elevation of the Singaporean economy. (From third world to first - The Singaporean story, Lee Kuan Yew). This give insight that how the corruption

menace can hollow an economy. Therefore, success of the economy is dependent upon reducing the evil insight, character and people from the vision.

After corrupt evils, the fifth element of the successful economy is the well-directed foreign policy. The reason is that a well crafted foreign outlook opens the best economic prospects for the country. The example of India best fits in this. Despite having difference of opinion, cultural fight and political issue, they maintained ties with everyone. As recently, India is purchasing oil from Russia despite sanctions on Moscow. It is also aligning with USA in I2U2, QUAD and CEMA. But also having large volume trade with China and membership in SCO. It sketches that foreign policy plays a crucial role in the development of economy, and recently India has surpassed UK economy in terms of GDP (Bloomberg, 2022). Thus, the foreign policy stability and forward looking approach is very crucial for the success of an economy.

The sixth element is of domestic in nature. The success of the economy is significantly dependent upon political stability. As without it, the economic chaos prevails in the state. Recent example of Sri Lanka help explain

this. Due to economic issue, the President Gotabaya Rajapaksa fled the country in emergency due to threat. Another example is of Pakistan. Due to domestic issue of no-confidence motion, new alliance government, question over establishment involvement all created uncertainty waves - and so economy was in a lot of trouble. Hence, political stability is of immense importance for backing the economy on its feet.

The successful economy seventh element is a strong education system. The state where education is prevalent, and people are learned and skilled opens up the doors of economic success. The reason is that learned & skilled people become the valuable asset, which reduce the wastage of resources, brings innovation, attract investment and breed more profit. In the book author compared between South Korea & North Korea. They claimed that one of the reasons of South Korea success in global economic term as compare to North Korea is the investment in education. (Why nations fail, Acemoglu & Robinson). Thereby the role of education in the upbringing of the successful economy can not be denied.

Another factor of the sustainable growth of the economy is focus on health sector. This eight element means that a

healthy person will be way more efficient than on unhealthy person. So, the health infrastructure should be well-developed, which cater the everyday need of the people. The health system should be spread geographically, qualified doctors and nurse, availability of funds and resources, proper monitoring, and standardize. This helps in healthy workforce for the work mechanism of the economy. Therefore, a wholesome or comprehensive infrastructure of healthcare system is vital for the success of an economy.

Ninth element is the realization that gender segregation shouldn't exist. This ninth element focuses that women should not be excluded — ~~but~~ rather included for the better development of economy. The reason is that they have productive potential, increase the number of labour force, innovative idea and way more systematic. Not just in workforce arena, women inclusion in politics is also beneficial for the economy. The logic that they are more peace loving helps in propagating idea which are not coinciding with destruction. As the theorist said that sustainability of the country is not possible without women inclusion (Kate Millet). Thus, the

gender gap to be reduced, otherwise the economy will be as shattered as that of Afghanistan.

Last but not the least, the quality of accepting and welcoming change helps in navigating the road to success. This tenth element of success is very important, but considered trivial in current scenarios. Like Nokia is ousted from market due to not accepting change — in similar manner USSR also loosed its strength. Despite knowing that Capitalism is the new reality, they stuck to the communist formula. And this rigid attitude to change lead to their failure (The Rise & Fall of Great Power, Paul Kennedy). On contrary, China welcomed the change, and shift many of its aspect to capitalism — and is the second largest economy, and may overtake USA in coming years (Investopedia, 2022). Hence, the acceptance and favouring the change helps pave the ~~way~~ royal road toward the economic success.

After knowing in detail about the elements required for a successful economy, a bit of information that how this success helps the state. The successful economy helps ensure political stability in the country. The reason is that the political rivals don't get much point scoring for destabilizing — as the people are happy

with the economic conditions. ~~It~~ can be seen ~~that~~ in the context of China. The economy is so smooth and successful that Xi-Jinping started his third term as the President of China. This depicts that how much smoothness in politics is there in China due to a successful economy. Therefore, a successful economy leads to political stability in the country.

Other than political stability, every other country is aspiring of aligning with the successful economy. The reason is that the states find it in their favor that they will grow and learn from successful economy. Again the example of China fits here. Despite having cultural and political issues, many of the ~~most~~ USA allies want to integrate with it. Such as Italy & Germany - the part of EU are having contracts with Beijing. Therefore, the successful economy attracts other ~~states~~ to coincide and integrate with them - even on the low terms and condition.

Apart from political stability and attraction for other state, the successful economy yields high prestige and status at global level. In every organisation and meeting, the stance of the successful

economy holds lot of significance & weight. The under-developed and developing states are eager to view their stance so that they can build on that. Even, the decisions, actions and words are count sacred and remembered for ages. Such as, the current mighty economy of USA is of great significance. Its stance and everything is valued at IMF, WHO, FATF, FAO, WB and many other. The advice by USA is considered as the order at global stage. Thus, the successful economy don't come alone, but it brings global level prestige & status.

To conclude, economy of a state is vital as it defines its standing at the global arena. Various of the factors work as the pulling wave downward, but a set of few elements helps in alleviation of economic horizon. The example of various states tell that some how the elements mentioned were successful in the sustainable growth of the economy. Hence, if the states on lower ladder and middle want to get the main spotlight, then these elements should be inculcated — as they pave the way for successful economy.