

# Why Nations Fail?

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## 1) Introduction.

Nations fail because of their extractive socio-economic and political design. They fail to inclusively carry forth all segments of society and serve only a few.

## 2) Analytical Description of a Failed State.

1. Failure of a nation to achieve its ideological aspirations.

A nation is born ..... combined aspirations of mass-

- 2) Condition of <sup>monetary</sup> insolvency for a long period.

Victor Hugo

Sri Lankan economic meltdown 2024

- 3) Loss of <sup>administrative</sup> control over its territories

Iraq, Yemen

- 4) Falling short of serving the interests of the populace.

Banana Republics and Neopopulist concept.

### 3) Why Nations Fail?

- 1) Extractive nature of state institutions significantly impacts <sup>nation's</sup> state's failure.

Book: Why Nations fail.

- 2) An elitist state — with no bar to it — fails.

Sri Lanka and its ruler family

- 3) Failure of governance is failure of nation

Governing the Ungovernable by Ishrat Husain

- 4) Neglect of Public Service Development Fund has its consequences.

"UNDP reports show ..... success"

- 5) Nation's not being able to cope imminent dangers leads to failure

History of Civilization by W. Durrant.

- 6) Success remains a facade unless half the sky is empowered.

Mao Tse Tung's vision & China

- 7) Prevalence of corruption bears unpallatable fruit.

Nobel Laureate's views.

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- 8) Social mobility is inextricably linked with chances of success of nation.

### DW Documentary.

- 9) Oligarchies succumb after pillars of nations rot.

### French Revolution 1789

- 10) Law of the land, if not abided by, leads to failure of nation.

→ H. Daski's view about Law.

### 4) ~~Con~~ Which Pragmatic Steps can Prevent a State from Failing?

- 1) Inclusive institutions are the foremost prerequisites.

#### Daron Acemoglu's views

- 2) Rule of law — in its strictest sense — is inevitable.

'Serve justice even if the heaven falls.'

### 5) Conclusion

Back in 17<sup>th</sup> century, three-nations  
seemed to benefit greatly from the  
Trans-Atlantic Slave Trade. British merchants  
sold Italian wine to the monarch  
of Congo and ~~buy~~ the bill was  
paid not in coins but in slaves. Everything  
seemed to be functioning well but  
the English are regarded as 'rulers of  
the world' and the Congese are  
known for their slave trade.

What lead to the strike in -  
fate ☹️

Congo's monarchy was seeing its  
hay-days during 17<sup>th</sup> century. They enjoyed  
Italian wine bought from the British who  
were paid not in coins but in  
slaves. The triadic trade of Trans-Atlantic  
region seemed to benefit all but Britishers  
are known to rule half of the <sup>of</sup> Earth  
while the Congese greatly contributed to  
slave export. One may ask why  
two thriving nations met such a  
strikingly opposite journey? What was  
wrong with Congo? Well, Congo failed  
badly as a state. It was  
a failure because it became insolvent  
and lost control over its territories.

What is more important / worth mentioning  
is that Kongese empire failed  
to cater to the aspirations  
of people. Extractive nature of  
the institutions of state along  
with an elitist culture often lead  
to state failure. Moreover, neglect

of investing in public sector development also adds fuel to the fire. Furthermore, prevalence of corruption and moral failure of nation gets magnified and becomes a complete loss. In addition, being unable to empower women and failure of providing social mobility chance along with extractive nature of state institutions <sup>are</sup> also ~~or~~ factors that can be traced in roots of a nation's failure. **In short**, nations fail because of their extractive socio-economic and political design. They fail to inclusively carry forth all segments of society and serve the purpose of a **few**.

Moving forth, this essay will elaborate the key factors that define whether a state is a failure or not.

Firstly, any state can be called a failed state if it fails to cater to the aspirations of its masses. In fact, a nation is born out of collective aspirations and people act together in an optimism that this collective group's efforts would, one day, lead to our aspirations becoming a reality. As Victor Hugo states, 'A nation's parameter of success is its extent of being able to meet people's needs.' Therefore, if people collectively think that they could not fulfill their wishes via the state, that is a sign of failure.

Secondly, a nation that cannot meet its monetary insolvency is also regarded as a failed state.

One can be of the view that it is an impermanent condition. But the point is that a state's

permanent situation of being unable to  
prove solvency is a sign of failure.

For instance, Sri Lanka has not been able to  
maintain solvency for a long. Therefore, it is a failure.

Thirdly, a nation's loss of  
control over its territories is  
also an indication of its failure.

Iraq and Yemen failed as state  
because their governments could not  
control their territories administratively.

Without any iota of doubt, loss  
of control over territory is  
a clear indication that a  
state has failed. It implies that  
non-state actors have been able  
to take good of state. Therefore,  
administrative control's loss is a state's  
failure.

Lastly, nations that fall  
short of serving the interest  
of populace are also a  
failure. As Locke said, "A

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state's primary function is its ability serving the interests of people. If a state fails to serve, it should cease to exist. In modern world,

**Banana republic** has become a widely used academic term. It implies that a state's elite has overshadowed the interests of the masses. In short, if only a small group is served, it is failure of the state.

Henceforth, this essay will discuss the reasons of failure of a nation.

Firstly, extractive nature of the state institutions is the foremost cause of a failure of a nation.

Nobel Laureate Daron Acemoglu pointed in his book 'Why Nations Fail', that if a nation has institutions designed in such a manner as it takes or extracts from the public

rather than serving them, that state is destined towards failure. For instance, if an institution only acts to impede the work of public and to hinder the social progress, nothing good can be foreseen for that state. In a nutshell, the manner of in which institutions are designed matters a lot. Moreover,

Moreover, if a nation become an elitist state and has not bar to it, it fails.

For example, Sri Lanka served Rajapakshana forgetting that there are millions of others to cater to. Moreover,

It is evident that if state serves one segment, the other would suffer. Serving the elite would hurt the masses greatly. It is beyond an iota of doubt that interests of the elite are not the same as the interests of the public. Therefore, elitism leads to state failure

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In addition to elitism, failure of governance can also contribute to the state failure. In his prize worthy book Governing the Ungovernable, Ar Tohrat argues that the success of governance of a state is tantamount to the success of the state itself. In a country, where organizations and institutions fail to work properly, failure becomes destiny. Nations, therefore, fail by failing their institutions.

Another important cause behind a nation's failure is its failure to develop the human capital. So to say, human capital is the most valuable thing a nation can have.

UNDP reports suggest that prosperity

is directly proportional to human capital development. Not having a pool of academicians, professors, scientists is a sign of failure of a nation and is <sup>itself</sup> cause of the failure of nation.

Equally important is nation's inability or neglect of coping with the imminent dangers. Natural calamities have more than enough potential to destroy a thriving nation.

When a nation neglects a calamity as nothing exorable, that point marks the downfall of a nation. Many ancient

peoples fell prey to calamities;

Many a civilization became a tale of trodden times when

disasters passed by, said Will

Durant in his book 'The Story

of Civilization'. Nowadays, Scientists ~~feel~~

warn nations of taking steps

before ~~span~~ the mill & spiral.

Therefore, inability to ~~enact~~ calamity is  
a ~~cause~~ of failure

In addition, chances of a nation's failure are proportional to the extent of prevalence of corruption. Nations do not die from external factors but from internal rotteness. Moral and monetary corruption are the factors that act as a lime force success and progress. Any factor hindering smooth progress of a state is a factor to which failure of a nation can be ascribed to. **Robinson**, the co-author of **Why Nations Fail**, argues that corruption perception index is not the indicator of corruption but of the nation's proximity to failure. In a nutshell, corruption, regardless of type, leads to failure of nation.

In addition to the previous factors, the failure of social mobility of the masses also contributes to the failure of a nation. **DW Documentary** about social mobility eulogizes that if the classes of populace do not shift, a nation is stuck in abysmal monopoly of a few, and if that is a condition nations fail. It is not a secret that people are builders of nations and they owe their industry to the chances of mobility on economic ladder. A nation without chances of social mobility is a nation that has a failure waiting in near future.

Along with failure to provide social mobility, rule

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In addition, oligarchies lead to failure of nation. They tend to serve their personal interests and if that is the case none can expect any sort of success from a nation. The monarchy of France, the one that of Italy and the one in Athens are the ones that led to the failure of respective states. The reason is that the nature of oligarchies is extractive. They leech at the resources of the public to feed their 'nepo-baby'. Anywhere <sup>in world</sup> and anytime in history, no nation has been able to achieve success working under an oligarchy. Therefore, rule of a few reduces nation to a meaningless entity.

lastly, if people do not abide by the law of the land, the state nations fail. It is because man is born coward, selfish, brute and fickle. In case, everything is left to his disposal and he is left to work as per his wishes, anarchy

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W. Laske, Locke, Montesquieu and Aristotle viewed law as the guarantee of smooth functioning of a society. If national terror becomes the one that strikingly contrasts the law that nation fails. So, failure to abide by law contributes to failure of nations.

In the paragraph that follows, two pragmatic steps would be elaborated that have the potential to act as antidote against nation's failure.

Firstly, establishing inclusive institutions is inevitable. An inclusive institution is the one which acts for the benefit of society and adds to the services of people. They include the representation of every segment of society and work by consensual decision making process. Daron Acemoglu is of the same view. He also argues that the nature of the institutions of a country matter more than anything else. Hence, inclusivity in institutions is tantamount to success of a nation.

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Last but not the least, rule of law is the most important factor for the success of a nation. In fact, laws are the holy books of nations to which nations consult. They give a roadmap to the individuals to act in a certain way. History testifies the fact that fate has never been kind to the peoples who have not been respectful towards the law of the land. Any person's attempt or successful act of violation of law is in fact state's or nation's regression from the path of prosperity.

**To Conclude,** nations fail because of the extractive nature of their social, political and economic system. They fail to carry forth all segments of society and serve only a few. This leads to a nation's failure. By including every one in the decision making and shifting the nature of institutions from extractive to inclusive can help nations avert failures. Moreover, catering to the needs of everyone and not only a few along with strict adherence to the rule of law are also indispensable. In short, "Nations don't die from external factors, but from internal rotteness." Lincoln