

English Essay

Test - 2

31-May-2024

How does rule of law
Impact Economic growth

Brain Storming

Good Governance

SOE at loss

Iran as an example

West as an example

Corruption

Transparency

Accountability

Check & balance

Foreign Invest

Social Program

Privatization

tax-to-GDP

ratio

Exports

Energy crisis

Outline

I - Introduction

i - Hook / Attention grabber

ii - Supporting sentence

iii - Thesis:

Economic growth is directly proportional to rule of law. A good rule of law in every organ of the state leads to a strong economy.

II - Body Paragraphs

i - Rule of law in executive

a) Good Governance

b) Transparency of fiscal account

c) Accountability of civil servant

d) Peaceful environment

e) Overcome energy crisis.

ii - Rule of law in legislature

a) Implement effective social security Programs

b) Increase the foreign investment

c) Increase the exports

iii - Iran as an example

iv - West as an example

III - Conclusion

The Essay

Economic Growth is one of the significant determinants of a country's status in the world. The international influence of a country depends on its economy. The Rule of Law makes the foundation of the economic growth. In addition to economic growth, all the growth indicators of a country depends on rule of law. Today, we can see in the world, the countries with strong rule of law have a high economy. Economy can grow in a peaceful environment where inflation is relatively low, starting a new business is easy, no one breach

the law, government facilitates businesses and all these situations can prevail only by a strong rule of law.

Hence, rule of law and economic growth are directly proportional; a good rule of law will lead to a strong economy with high growth rate.

Rule of Law in executive organ of the state is the foremost pre-requisite of the economic growth. The rule of law in "executive" is shown by good governance. Good governance includes a large number of steps, some of them will be discussed here.

The first comes transparency of fiscal accounts. Every year while introducing the budget, Pakistan faces fiscal account deficit. Transparency of the fiscal accounts will answer many questions like what are the reasons for fiscal account deficit? What are the loopholes in the system? Is there any corrupt civil servant involved in any immoral act? What could be the remedies? All these questions could be answered only in transparent environment of fiscal accounts. It is noteworthy to mention that revenue system plays an important in rebalancing the fiscal account deficit. IF there is a rule of law,

The revenue department can't favor any business or a specific individual to be exempted from tax. This will eventually lead to a high tax collection and in turn a high tax-to-GDP ratio. Hence, rule of law in monetary departments leads to economic growth of the country.

The second the accountability of civil servants that is the sign of good rule of law in the state. Accountability of civil servants depicts that no one is superior than the state. Civil servants in every department plays a

major role in making the things done in a good way. If civil servants are corrupt, it will be very easy for non-state actors and the locals as well, to breach the law and harm the state. For instance, in Pakistan, kerosene petrols and diesel is smuggled via border and then distributed in whole Baluchistan and Sindh. Daily, thousands of gallons are smuggled in Pakistan, as these petrol and diesel are not in tax bracket, it severely damage the economy of Pakistan. This smuggling is only possible with the assistance of civil servants of Pakistan. Therefore, accountability

of civil servants are necessary to create a favorable environment for economic growth.

After transparency of fiscal accounts, and accountability of civil servant, the third factor which shows the impact of rule of law on economic growth is "Peaceful Environment". No country can prosper in the environment of terror. Terrorism and insurgencies are the symptoms of weak rule of law. Terrorisms, insurgencies and local revolts all crashes the economy of the state. All the business local as well as international can grow only in an environment of

Peace and good rule of law. No one wants to invest in the country hit by terrorism and rebellious revolts.

As an instance, Yemen is a country rich in petroleum but there is no major oil companies or refineries just because Yemen is the battle ground of the proxy war. Hence, it can be stated that peaceful environment is a symptom of good rule of law that is essential for economic growth.

To conclude, rule of law is directly proportional to economic

growth. A good rule of law implies a good economic growth. A good rule of law is measured by good governance that includes transparency of fiscal accounts, accountability of civil servants and maintaining a peaceful environment. The economic crisis of Pakistan is just because the weak rule of law, but with decisive actions and political will, the country can overcome its economic challenges.