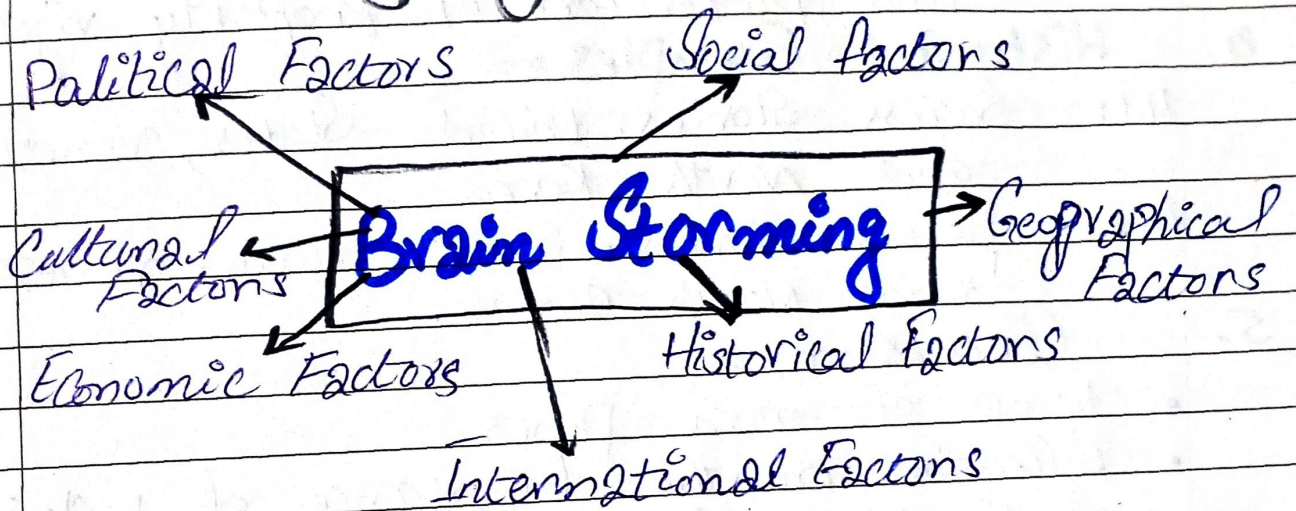


28-10-2024  
day/date

Mock Exam for CSS-2025  
October 2024 (Mock-5)  
Batch # 059 (online)  
Iqra Sultan

## Essay English (Why Nations fail)



### Outline :-

#### 1- Introduction :-

1.1: Brief Overview of the book "Why Nations Fail".

1.2: Thesis Statement: Nations fail due to extractive economic and political institutions.

#### 2- Extractive Institutions :-

2.1: Definition of extractive institution

2.2: Example: monarchies, dictatorships, and colonial regimes

2.3: Characteristics: exploitation, concentration of Power, and lack of Property rights.



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### 3- Inclusive Institutions

3.1: Definition of inclusive institutions

3.2: Examples: democracies, market economies, and constitutional monarchies.

3.3: Characteristics: pluralism, competition and protection of property rights.

### 4- Historical Examples

4.1: Success Stories: United States, ~~Germany~~, and North ~~Germany~~.

4.2: Failure Stories: Soviet Union, Venezuela, and North Korea.

### 5. Conclusion

- Recap of main points
- Reflection on the importance of inclusive institutions for national success.

- Some possible additional points to explore -

- The role of institutional drift and institutional change.
- The relationship between economic and political institutions.
- Case studies of nations that have transitioned from extractive to inclusive institutions



## - Essay -

Nations fail when extractive institutions designed to benefit a small elite, supplant inclusive institutions that promote economic growth and social prosperity.

This phenomenon is evident throughout history, from the crumbling Roman Empire to modern-day North Korea. Extractive institutions, characterized by centralized power, corruption, and limited property rights, stifle innovation, entrepreneurship, and competition. In contrast, inclusive institutions, marked by pluralism, competition, and protection of property rights, foster an environment conducive to economic growth.

The consequences of economic extractive institutions are far-reaching, leading to inequality, social unrest, and instability.

As Acemoglu and Robinson argue, the divergence in prosperity between nations can be attributed to differences in their institutional frameworks.