

Why Nations Fail

Outline :

1. Introduction

Thesis Statement :

The success or failure of nations is largely determined by inclusive and exclusive institutions, for inclusive institutions promote prosperity by providing opportunities to the middle ~~class~~ and poor classes, while exclusive institutions hinder and thwart growth and stability in nations by concentrating powers in the few hands.

2. Understanding the phenomenon of why Nations fail

3. What are the Factors that led Nations to Fail?

a. Concentration of power in selective hands through elitist growth model
(Pakistan: The Economy of an Elitist State by Ishrat Hussain).

b. Lack of economic opportunities to the masses

c. Lack of skilled-based education

d. Extractive institutions depend upon a single source or industry controlled by an elite.

e. Politicisation of institutions by the politicians compelled nations to fail.

f. Poor performance of judiciary as an institution led nations to fail.
(Madeeha Afzal)

g. Intervention of non-democratic forces in politics that hinder political and economic growth of a nation.

4. What can be done to protect Nations from Becoming Failed States?

a. Building inclusive political institutions by encouraging participation in politics.

b. Promoting good governance through watch-dog institutions to combat corruption.

c. Establishing an independent judicial system to uphold the law fairly.

d. Taking counter-terrorism and anti-subgency measures

5. A Case Study of North and South Korea

6. Conclusion

ESSAY

The world has witnessed zenith and fall of many civilisations and nations. Many political and economic scientists explore the complex reasons behind national prosperity and poverty. Historians like ~~John~~ Jared Diamond argues in his book, ~~Steel~~ Guns, Germs and Steel that nations prosper due to their geography. While some states that it is state's or nation's exclusive political and economic institutions, which determine the failure of nations. In this regard there are several reasons, which led nations to their failure. One of them is the concentration of power in selective hands through elitist growth model that favour elites at the expense of middle and poor classes. Secondly, lack of opportunities to the masses is considered to be the reason of a failed nation. Thirdly, extractive institutions depend highly upon single source or industry controlled by an elite. Fourthly, politicisation of institutions by the politicians, and lastly, poor performance of judiciary as an institution led nations to fall. Nevertheless, all these ills which compel nations to fail can be rein-in through carrying out appropriate

measures in the form of building inclusive political institutions by encouraging participation in politics; and promoting good governance through watchdog institutions to keep surveillance and ~~combat~~ combat corruption. Therefore, after analyzing the reasons behind failed nations in a broader context, it can be said that the success or failure of nations is largely determined by inclusive and exclusive institutions, promote for inclusive institutions provide opportunities to the middle and poor classes, which while exclusive institutions hinder and thwart growth and stability in nations by concentrating power in the few hands.

The phenomenon of why nations fail is a complex and multifaceted issue that has attracted attention from economists, political scientists, and historians. Prominent economists like Daron Acemoglu and James A. Robinson delve into the underlying reasons for the stark differences in prosperity among nations. They argue that the fundamental determinant of a nation's success or failure lies in the quality of its

institutions, specifically, whether they are inclusive or extractive.

Inclusive institutions promote broad participation in economic and political life, while extractive institutions concentrate power and wealth in the hands of few, hindering economic growth and widespread inequality. In this regard, the author of the essay has delved deeply, finding out the reasons behind why nations fail - in the following paragraphs.

To begin with, concentration of power in selective hands through elitist growth model is considered to be one of the reasons behind failed nations. In his book, **Pakistan: The Economy of an elitist state** by Ishaq Hussain opines about the elitist growth model that this growth model may favour elites at the expense of the poor. It is like a perpetual cycle in which the elites will get education, health and can seek economic opportunities, while the poor will never get quality education and health. Therefore, it can be said that concentration of power in selective hands through the above-mentioned model is the reason behind failed states or a nation.

Moreover, lack of economic opportunities to the masses of a nation is also acknowledged as the second reason behind a failed nation.

A failed state always favours elites over the other two classes namely middle and poor. In such nations, systematic barriers prevent a large segment of society to engage in productive economic activities, leading to widespread poverty and unemployment. These barriers are stemmed from extractive institutions that concentrate power in few people i.e. elites. Thus, it can be concluded without any hesitation that lack of economic opportunities to the masses leads a nation to a declining phase.

In addition to these, lack of skilled-based education is a critical factor that characterizes failed nations and significantly contribute to their ongoing decline. In these nations, educational systems are often inadequate, failing to provide individuals with practical skills. As a result, the nations populace often find themselves as workless by not fitting themselves for

prepared job, leading to increase the ratio of unemployment. So, lack of skilled-based education is a critical factor behind failed nations.

Furthermore, extractive institutions depend upon single source or industry controlled by elite pave way for nations to fall/tear apart. In such kind of nations, there is only a single entity that benefits nations, ~~but~~ but that single entity is controlled by elite. The question, however, arises on the horizon that how will the nations prosper in such environment, which source of revenue is their single entity in the form of industry or any other source of revenue. As a result of this, the nations will hardly perform well through benefiting from single entity. Hence, it can be ~~use~~ stated that extractive institutions depend upon single source will leads nations to deprive states or nations from success.

Besides, politicization of institutions by the politicians compelled nations to fail. In such nations, institutions do not perform fully and consistently, and as a result of this, institutions become

politicised and start working as an extractive institutions, leading to low their performance. in broad spectrum. Not just they weaken institutions, but also demolish the ~~very~~ rule of law and give rise to governance issues. Notwithstanding, politicisation of institutions on the part of politicians occur in extractive institution states.

Also, poor performance of judiciary as an institution led nations to fail, owing to their extractive institutions. Judiciary is the third pillar of a democratic state. It plays a pivotal role in nation's success, by delivering justice to the oppressed and puts penalties over the oppressor. However, when judiciary is undermined justice would be barely delivered due to its extractive role as an institution. In this regard, Madeha Afzal argues that judiciary is the fundamental pillar of democracy. A nation, she adds, will never become a successful nation ~~until~~ unless judiciary is not to be politicised. Thus, poor performance of judiciary as an institution led nations to tear apart.

Last but not least, intervention of non-democratic forces in politics that hinder political and economic growth of a nation, is a leading factor behind nation's failure. In the current landscape, there are many countries which are being intervening in democratic as well as dictatorial states. The vacuum are provided by extractive ~~in~~ ~~polit~~ civilian institutions that are filled by the non-democratic forces.

In this way, nations lead to fall like a building. Therefore, it can be argued that intervention by non-democratic forces occurred in many states due to oversized and extractive role of nations institutions.

After discussing factors behind nations failure, an attempt is made to rein-in all the factors widely responsible for institutions that ~~are~~ ~~extractive~~ ~~role~~ ~~of~~ ~~nations~~ ~~institutions~~.

Firstly, building inclusive political institutions by encouraging participation in politics. It is ~~less~~ essential for fostering democratic governance within nations. One of the most effective ways to achieve this inclusivity

is by encouraging participation in the political process. When classes from remote areas are provided the opportunity to engage in the political process, they will contribute to a more representative and decision making process. Therefore, it will prevent a nation from ~~seemingly~~ falling.

Secondly, promoting good governance through watch-dog institutions to combat corruption can protect nations from failure. Corruption undermines the foundation of governance by eroding public trust and leading to high inequality. It is the most effective strategies to hamper corruption from nations. When institutions responsible for accountability are weak, opportunities and provided for ~~the~~ ~~the~~ corrupt practices are flourish. So, good governance can be achieved through effective watchdog institutions and to keep safe nations from failure.

Thirdly, establishing an independent judicial system to uphold the law fairly and consistently. By this way, a nation can ~~achieve~~ protect citizen rights through the independence of judiciary. This can prevent extractive role of civilian institutions. So, this can ensure justice for all the citizens across countries.

There are two examples: one is North Korea and South Korea. The former is ~~an~~ extractive institution while the latter have inclusive institutions.

By 12
To conclude, it is pertinent to mention that inclusive institutions promote prosperity in nations while by encouraging people to put their efforts in democratic process. Also, if they provide better economic and health facilities for nations, while the extractive institutions hinder the growth of prosperity of nations.