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Essay Mock

## WHY NATIONS FAIL?

### Outline:

#### (A) Introduction

##### • Thesis Statement:

Therefore, nations fail due to a combination of extractive institutions, corruption, lack of rule of law, and social inequalities, which collectively undermine economic stability, hinder innovation, and prevent equitable growth.

#### (B) Causes of failure of nations

1. Nations fail due to extractive political and economic institutions that concentrate power and resources in a small elite,

2. Nations often fail due to the lack of rule of law,
3. Systematic corruption drains resources, discourages foreign investments, and fosters inequality, leaving public services underfunded,
4. Nations that fail to embrace innovation often fall behind economically, unable to compete on global scale,
5. An uneducated populace limits a nation's human capital, makes it difficult to grow the economy, attract investment, and reduce poverty,
6. Authoritarianism and lack of political freedoms stifle social progress by silencing potential innovators and dissenters,
7. Persistent internal (ethnic and social) conflicts drain resources, create

insecurity, and disrupt economic and social systems necessary for national prosperity,

8. Poor geography, such as being landlocked or having limited access to trade routes, makes it difficult for nations to thrive,

9. Over-reliance on foreign aid or accumulating debt can stymie self-sufficiency and lead to economic dependency,

10. Nations that exploit their natural resources without sustainable practices face deforestation, pollution, loss of agricultural production, an overall environmental degradation,

11. Nations that fail to promote gender equality miss out on the economic and social contributions of half of their population,

12. Nations that neglect R & D (Research and Development) fail to create home grown innovations, which are critical for economic competitiveness and sustainable development,

13. A lack of support for small and medium enterprises (SMEs) or an absence of entrepreneurship limits economic development and job creation,

14. Without transparency, corruption flourishes, and citizens become disillusioned with their leaders, destabilizing social cohesion and governance,

(C) Conclusion.

Imagine a country once rich in resources, with a young, vibrant population and access to trade routes.

Decades ago, it was poised to become a regional leader, a beacon of growth and development. But as the years passed,

progress stalled. Political leaders increasingly prioritized their own power and

wealth over the public good, relying on a small group of elites to control key

institutions. Corruption seeped into every level of government, and laws applied

inconsistently created a climate of uncertainty and distrust. People lost faith

in their leaders, and without proper investments in education, social services

crumbled. All these and much more

are nothing but the answer to the

very question that "why nations fail?"

This scenario reflects many factors that lead to nation-failure. When extractive political and economic institutions,

corruption, social inequality, and neglect

of human capital converge, a nation's

potential fades away, underscoring the importance of inclusive governance and the fundamental changes needed for a nation to thrive. Therefore, nations fail due to combination of extractive institutions, corruption, lack of rule of law, and social inequalities, which collectively undermine economic stability, hinder innovation, and prevent equitable growth.

The political institutions are the key determinants of the outcome of a state's struggles. They are the rules that govern incentives in politics. They decide who has the power in society and to what extent it can be used. If the distribution of power is narrow and unconstrained, then the political institutions are extractive. Extractive political institutions concentrate power in the hands of a few elites, which exploit economic resources too. Thus, there is a strong synergy between political and economic institutions. They support each other and tend to

persist. If both the institutions are extractive, then ultimately the nation fail.

As stated by Daron Acemoglu and James A. Robinson in Why Nations fail;

“Nations fail when they have extractive economic institutions, supported by extractive political institutions that impede or even block economic growth.” This is because such institutions concentrate power and resources in the hands of a few elites, depriving others of their political and economic rights.

Adding to this, lack of rule of law is another cause of the failure of nations. When a nation lacks a consistent and impartial legal system, it undermines public trust and creates an environment of uncertainty, that discourages investment, innovation and economic growth. Without the rule of law, citizens are vulnerable to arbitrary government actions and corruption. Qamar Bashir states in the the article, When there is no Rule of Law; “Those in power can

govern arbitrarily, making decisions based on personal whims rather than established legal principles." So, those in power act above the law, leading to human rights violations, weakened institutions, and erosion of social cohesion. All of this contributes to long-term national decline.

Corruption is a primary factor for national failure too. It undermines the effectiveness of institutions, drains resources, discourages foreign investments, and fosters inequality, leaving public services underfunded. It was stated by the World Bank that; "corruption harms the poor and vulnerable the most, increasing costs and reducing access to basic services, such as health, education, social services, and even justice." Corruption exacerbates inequality, which fuels social unrest. It, therefore, makes it nearly impossible to create a stable and prosperous future.

Moreover, lack technological



innovation is a significant factor in a nation's failure, as it limits economic growth, global competitiveness, and adaptability to change. According to an expert's opinion, "in today's rapidly evolving economic landscape, technology not only serves as a crucial driver of economic growth, but also fosters business transformation and creates new development opportunities." This stresses that how important technological innovation is for a nation's growth, especially in today's world. Therefore, if a nation fails to embrace technological innovation, it falls behind.

As we all know, an uneducated populace limits a nation's human capital. So, this also adds to a the failure of a nation to prosper. Higher illiteracy rates, makes it difficult to grow the economy, attract investment, and reduce poverty. Not only this, but it also causes a political decline. As without education, people do not know their

political rights nor the political elite knows how to run a state in a right way. According to Dr AH Hilahi,

democracy mainly suffers due to unawareness of electorates about the importance of politics, their role in a political government and making accountability of political parties through votes due to lack of education." Therefore, illiteracy has detrimental effects on both, economic and political stability of a nation.

Moreover, authoritarianism and lack of political freedoms stifle social progress by silencing potential innovators and dissenters. It limits growth as people are not allowed to have an opinion, and if they have it they cannot voice it. For example, USSR in Stalin's era and Egypt in Gamal Abdel Nasser's era, faced a lot of political and economic issues. There was absence of individual freedom and power was absolutist, stifling progress.

Therefore, authoritarian regimes are often unstable and collapse at the end.

Furthermore, persistent internal (ethnic and social) conflicts create insecurity and disrupt economic and social systems necessary for national prosperity. Such conflicts induce social unrest that does not let the state to stabilize.

For example, Palestine and Israel conflict, which is an ethno-religio-socio conflict, has not let the Muslims of Palestine stabilize yet. In fact the progress of neighborhood states has been disturbed too. This illuminates that how internal conflicts can cause a state to collapse and affects its neighborhood too.

Poor geography, such as being land locked or having limited access to trade routes, also makes it difficult for a nation to thrive. Moreover, land locked countries with poor soil and little water supply for self sufficiency.

According to National Geography,

“geography can make a country more vulnerable to instability.” Therefore, it is very important for a state's prosperity that where is it located? How are its relations with its neighborhood?

Nations that overly rely on foreign aid or accumulate debt, are often supposed to fail. It is because it stymies self-sufficiency and leads to economic dependency. Pakistan's over reliance on IMF programs is a well fitted example. Although it has not collapsed yet, but the poor economic conditions and its loan-based economic survival does not let it progress. This illustrates that how over reliance on foreign aids, makes a country to stuck in a quagmire or a vicious cycle, that makes its survival on its own resources difficult or nearly impossible.

Environmental degradation is another cause of a nation's failure. As nations that exploit their natural resources without sustainable practices face

deforestation, pollution and a lack of agricultural production. Ultimately, leading to decline in economic growth.

According to Jamil Ahmed, "Poverty and environmental deterioration are closely linked." Therefore, it exacerbates poverty and stifles a nation's progress.

Moreover, gender inequality also leads a nation to economic instability.

As the nations that fail to promote gender inequality, miss out on the economic and social contributions of half of

their population. For instance, if 50-60%

of a nation's population is female and has no contribution in economic and

social spheres, then how is it possible

for a nation to prosper. Gender equality

would mean doubling the economic

outcome. But unfortunately, in most

nations, it is the opposite.

Furthermore, nations that

do not invest in R and D (Research and Development) fail to create home

grown innovations. These are critical

for economic competitiveness and sustainable development.

A lack of support for small and medium enterprises (SME's) or an absence of entrepreneurship limits economic development and job creation.

This leads to unemployment, automatically leading to an economic and social decline. States such as Afghanistan and Pakistan face issues with SME's development due to lack of long term financial support.

Lack of transparency is another cause of a nation's failure. As without transparency, corruption flourishes, and citizens become disillusioned with their leaders.

This destabilizes social cohesion and governance.

Thus, it can be concluded that gender inequality, environmental degradation, over reliance on foreign aid, and lack of transparency, along with other factors contribute

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to a nation's failure.