

DATE: 28/10/2024

Topic: Why Nations Fail

- Outline -

A. Introduction.

(i) "Why Nations Fail" by James Robinson and Daron Acemoglu.

(ii) Inclusive vs. Extractive state institutions.

(iii) Thesis statement.

B. The Rejection of Traditional Theories Regarding the Failure of Nations

(i) Geographical theory

(ii) Cultural hypothesis

(iii) Ignorance theory.

C. Factors Contributing to Nations Failure

1. The Concept of Inclusive vs. Extractive State's Institutions

a) Case Study: America vs. Developing countries. like Pakistan and Afghanistan

(B) The concept of Asabiyyah.

a) The Decline of Mughal Empire

b) Khaldun 'Asabiyyah' Theory

3. Political instability.

a) Social unrest

b) Economic Recession

c) "How Democracy Die" by Stephen Levitsky.

4. Gender disparity

a) Neglecting the power of women.

b) WEF Report titled "Closing the Women's Health Gap: A \$1 trillion opportunity

DATE / /

to Improve lives and Economys.

c. Afghanistan "New Morality Law"

5. Undermining the role of Human Capital Development.

a) "The Economic Welfare" by Arthur Cecil Pigou

b) "Poverty Custain" by Dr. Mehbubul Haq.

6. Neglecting Primary health and basic education.

a) 26 million children are out of school - Education Emergency in Pakistan, PM said.

b) "Paradox of Prosperity" by President Clinton.

7. Military Dictatorship and the rise of elite capture and feudalistic structure.

a) "Shahab Nama" by Qudratullah Shahab.

b) High Defense Spending

c) Bifurcated Education system.

8. Proletariat vs. Bourgeois.

a) Applying Marxist Perspective.

b) "The Concept of Silicon Curtain" in "Nexus" by Yuval Harari.

9. Poor law and order situation.

a) Pakistan ranks 129th out of 142 nations on Rule of Law Index 2024.

b) The death of judicial independence and weaken writ of the state.

10) Neglecting technological innovation and climate resilient adaptation.

a) The importance of knowledge economy.

DATE / /

b) The Climate Case Study

(i) South Am
(ii)
(iii)
(iv)

E.

As dissatisfied with the painting, it was hidden in the closet.

DATE / /

b) The Climate Resilience Report 2024.

D. Case Studies: Extractive vs. Inclusive State Institutions

- (i) South Korea vs. North Korea
- (ii) America vs. Mexico
- (iii) Zimbabwe vs. Botswana
- (iv) China as an exception.

E. Adoption of Strategies in Paving the way for Sustainable Progress

- (i) The concept of inclusive state institutions must be adopted.
- (ii) Empowering the youth and investing rigorously in human capital development.
- (iii) Focusing on knowledge economy and digitalizing education.

F. Conclusion**Essay:-**

The future of national progress primarily depends on how the states are working for the welfare of the people. In this context, two famous economists **Daron Acemoglu** and **James A. Robinson** had written the book "**Why Nations Fail**". It explores the political and economic factors that contribute to the success or failure of nations, arguing that inclusive political and economic institutions are key to prosperity, while extractive institutions lead to poverty and stagnation. Countries like America follows

DATE: / /

inclusive structure. The rise of technological giants like Bill Gates and Elon Musk exemplify that the U.S. had facilitated them and now they are not only revolutionizing the world but also made America as the Superpower of the world. Moreover, most nations that do not work for the welfare of its people, obviously became the cause of its failure. They have left behind in the race of technological advancement that is leading in the world today. This primarily depends on the countries that how they build the cognitive skills of their younger generation. Thus, focusing on the importance of Knowledge Economy, critical thinking, and well-being of citizens, nations can lead the world like that of America. Therefore, one can say that, those countries which empowers their people ultimately become one of the world's leading economies while those who neglects the importance of human capital developments left behind in the race. However, a multifaceted approach is essential to foster sustainable solutions and drive impactful progress.

To begin with, some thinkers are of the view that the success or failure of any nation depends upon the geographical, cultural, and ignorance factors. However, the modern economists reject this view.

DATE: / /
They says
is possible to
of failure of
geography
is making
unvulnerable
I'm not
rich are prodo
that our em
are generating

Q.4 Correct any FIVE of the fol
i. How would the moon hel
ii. Why is it not easy to foreca
iii. Is weather forecasting a scien
iv. The price of the fol
v. Allen Turing was
vi. Being thore

aspire to

DATE: / /

They says that it is not just the geographical factor because in today's era, everything is possible to change. The traditional concept of geographical theory states that the failure of any country depends upon the geography of that state i.e the tropical region where there is cold climate and infertile soil. Furthermore, some cultural factors are also responsible for nation's failure. This is because the conservative people do not want to allow new technological inventions. Subsequently, the ignorant theory states that the leaders are unable to provide effective policies as they are ignorant. But, in this modern world, the failure of any nation does not depends on these traditional theories rather by adopting the extractive state institutions. Thus, undermines the welfare of the people.

After discussing the ~~the~~ traditional theories, now the essay will further elaborate that which factors are actually responsible for the nation's failure.

Firstly, there is a concept of inclusive and extractive state institution which is directly responsible for the prosperity and failure of any nation. Countries that have given importance to human capital development, ~~they~~ are leading in this modern world - for instance, the case of study of America would be

DATE: / /

perfect for such context. America has adopted the notion of inclusive state institutions. It has facilitated its people and now it is the superpower of the world. For Example, if she has not given the facilities and opportunities to Bill Gates and ~~Ter~~ Elon Musk who are known for Microsoft and Tesla, the technological giants, then America would not have lead the world. Now, she has much power to dictate the world economies. In contrast, the developing countries like Pakistan and Afghanistan has adopted the extractive state institutions where the dictatorial regimes disguised as the proponents of democracy has extracted the resources of the people and now, because of this, such countries are facing backwardness. Thus, the failure of any nation depends upon the countries adopting inclusive and extractive state institutions.

Despite this, it is evident that the state's internal failure due to weak harmony along with extractive state institutions further compounds the issue.

In such context, the concept of 'Asabiya' by Ibn Khaldun is evident. He proposed the cyclic nature of the downfall and rise of new empires. He illustrated that countries that focus on luxurious lifestyle and idleness will be

(3)

DATE ___/___/___

encapsulated by enemies and eventually will lead them towards their downfall. The decline of Mughal Empire is evident in this context. ~~Similarly~~ Muslims had rule over the sub-continent for almost 100 years. However, their inner harmon conflicts and idleness had given Britishers an opportunity to colonize them and extract their resources. Hence, they faced downfall and the new empire rised in the form of colonialism. Thus, still Muslims of Sub-continent are facing the after affects of colonialism in the form of their failure as a nation.

Furthermore, the weakness of Asabiyah ~~and~~ along with political instability further ~~aggravates~~ aggravates this delinma of ~~the~~ society. There has been a continuous social unrest in such societies where political clashes and tussle among the politicians for power is prevails. Political instability not only causes social unrest, but also results in the stagnation of economies. Stephen Levitsky in his book "How Democracy Die", illustrated that today's dictatorial leaderships adopt authoritarian tendencies. They crack down their political opponents, censure media, and deprives their people to raise their voice. He ^{has} explained the concept of 'Gate keeping', where political leaders

DATE: / /

are not selected by the common people rather by some elite lobbies. This process undermines the very basic principles of democracy. Thus, leading to the nations failure.

In addition to political instability, the problem of gender disparity also contributes directly to the failure of nations. Countries that do undermine their women's role in uplifting economies are now facing the backwardness. For instance, Pakistan has half of its population covering with women, but it has not given them basic health facilities, education, and economic rights which is why it is facing failure today. Afghanistan's "New Morality law" also erased the women rights, silencing women in media, and banning girls from education beyond sixth grade, and severely restricted them in workforce. Today, it is evident that Taliban takeover has contributed to Afghanistan's backward nation. World Economic Forum's report titled "Closing the Women's Health Gap: A \$1 trillion opportunity to improve lives and economies" has stated that closing the gender gap would ultimately boost economic production. Thus, these nations must focus on inclusivity rather than disparity of their women.

Afterwards, the combination of gender

DATE / /

disparity and undermining the importance of human capital development is a serious concern and a major drawback which causes nation's failure. In the book "The Economic Welfare" by Arthur Cecil Pigou, who is the father of welfare economics, stressed upon the four basic parameters of welfare including: basic amenities; social protection of citizens; economic improvement irrespective of class and gender; and then dignity, common values and equality. Focusing on these basic parameters, any nation can thrive itself in the socio-economic, political and cultural development. Additionally, in the book "Poverty Curtains" by Dr. Mehbubul Haq, has written the 7 sins of planners or developers. He said, one of the ^{most} ~~most~~ sin is neglecting ~~the~~ wide gap between growth and justice. The second sin is neglecting human capital development. Therefore, unless a nation is well-equipped with knowledge it will not achieve the desirable results.

Additionally, ^{the} neglected Primary health and basic education, which are the most important parameters of social progress, contributes to nation's failure. Unfortunately, the situation in Pakistan has become worst because recently during a call of Country's Educational Emergency, PM Shehbaz said that approximately 26

ns i
Com
shafts of a
who was pulling
out
are! Do you
have to use
was not
in the car
holds the
sp and h
ing of yo
many do
on
Peace is important now.
The world is turning into the new
spines
Rough
hat are ... consequences?
the popular sayings about the red sky?
need
ology!

DATE: ___/___/___

million children are out of school, highlighting the alarming situation.

And similarly, in the book "Paradox of Prosperity" by President Clinton, she said that the traditional way of prosperity will not work unless and until the country will not focus on the well-being of its people. Hence, the welfare of the lower class citizens and uplifting them is very important for the national prosperity.

Along with the importance of education and health that has been continuously neglected, the rise of military dictators who ~~are~~ elite capture, and feudalistic lords, have further divided the society into different class. It is evident that Germany during WWII, when Hitler got in power, he focused on defense rather to uplift his people from the poor economic situation that they faced after WWI. After ^{being} defeated in WWII, Germany got divided into four parts that was ruled by major European powers. This exemplify the fact that focusing only on defense can cause the nation's failure. Furthermore, the bifurcated education system as highlighted ~~by~~ in the form of three classes: the public sector, private sector, and the madrasah school system in Pakistan has caused division in the education system. Not only this, in the book "Shahab Nama"

DATE: / /

by Qudratullah Shahab, ~~he has stressed~~ on the imp. said that a feudalist lord had offered him bribery ~~and~~ not to open the school in his district where Shahab was working as a district commissioner. Hence, the situation further deepens critical by the rise of military dictators, elites, and feudalists which causes nation's failure.

Moreover, the class division between Poletariat and Bourgeois as illustrated by Karl Marx ~~for~~ contributes to nation's failure. He was of the view that the elites when concentrated the wealth, resulted into the division among the poor and the upper class of society. They deprived working class from their basic rights.

~~At~~ Furthermore, in the book "Nexus" by Yuval Harari, he illustrated the concept of silicon curtain, where in ~~future~~ ^{future} there will be the global income inequalities. And the rich will get richer while poor will get poorer. Thus, will create a division between the most successful and the backward nations.

Additionally, there has been a massive poor law and order situation in such countries where there is a class division. Pakistan ranks 129th out of 142 nation on Rule of Law Index 2024. Moreover, the death of

DATE: _/ _/ _

Judicial independence undermines the basic principles of democracy and weakens the state's writ. which not only results into poor law and order situation, but also allows extremism and terrorism to rise. Thus, impedes the national development.

Along with poor law and order, the neglect of technological innovation and climate resilient adaptation impedes the country's progress. For instance, Pakistan has faced severe economical damage during the 2020 floods which still are affecting the economical growth. Further, the climate Resiliency report 2021, shows that for every \$1 invested in climate resilience, \$6 is saved in terms of avoided losses and \$7 in terms of averted losses to local economy, making the return of investments in climate change adaptation and resilience \$8 to \$10. To sum up, there is a need of giving importance to knowledge economy and climate resilient adaptations for economies of nations to thrive.

After discussing the factors which impedes national growth and results in countries failure. Now, this essay will discuss case studies.

The first case study is of South Korea and North Korea. South Korea

DATE: / /

during the world war cold war had inclusive state institution while North Korea had extractive state institutions. Similarly, the prosperity of America and the decline of Mexico's progress further exemplifies this notion. Moreover, the same case is with Zimbabwe and Botswana where Zimbabwe follow dictatorial regime while Botswana has inclusive state institution. However, China in this case is exemption. This is because it provide the basic facilities to its people while maintaining one party system.

Now, the essay will provide some adoption strategies for paving the way for sustainable progress.

First, the concept of inclusive state institutions must be adopted. Secondly, empowering the youth and investing in human capital is crucial for sustainable progress. Lastly, a focus on knowledge economy is very important for national prosperity.

To conclude, those countries who have focused on inclusive state institution lead the world while those who followed extraction of resources are facing backwardness. Most traditional approaches for nations' failure were rejected by today's modern economists. However, the

DATE / /

major factors which are responsible for the backwards of nations are their political instability, weak Asabiyah (Coordination), gender discrimination, and the neglect of human capital or welfare of the people.

No nation can succeed unless they adopt the concept of inclusive state structure. Countries like China, America, South Korea, and Botswana are leading in the world as ^{having} the most strongest economies.

^{the growth in} This modern world is based upon the well-being of citizens. They are the assets of the future. They become great leaders, scientists, tech-giants, entrepreneurs, and philosophers who later prosper their nations. Young youth especially is the asset. If they are not given proper facilitation, then it is obvious that they will eventually become a liability on the state's budget while educated youth can ~~bring~~ ^{bring} revolution in today's AI world. Hence, this ^{idea} has been mentioned and discovered very early in the ages of Plato and Aristotle and then in 1960's, by the pioneering work of Schultz and Becker working on the concept of human capital proved that a high level of education is a necessary growth and no country can make significant economic progress if majority of its citizens are illiterate. Thus, the nation's failure directly links with the idea of human welfare and growth.

the new type of
dreadful nuclear
and also danger
is
unintentional
is