

Why Nations Fail?

1- Introduction

- (i) Manifestation of a failed state
- (ii) There is an amalgamation of Political, social, and economic factors that become a hurdle in the way of a country's progress. These factors in turn shape the nation's institutions, fabric of the society, and economic outlook respectively.

2- Why Nations Fail?

- (i) Political aspects shaping the country.
 - a) Curbing the freedom of social institutions (World Bank Freedom report and Post modernism theory)
 - b) Institutions serving the interest of Political elite. (Extractive institutions by James A. Robinson).
 - c) Political instability fueling distrust in institutions. (Social trust theory)

(ii) Economic factors sculping the country's Progress

- a) Dependence on International financial institutions. (dependency theory by Paul Prebisch)
- b) Lack of innovation in science & technology. (Why nations fail by James A. Robinson)
- c) Mercantilist measures discouraging the liberal market. (example of North Korea)

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(iii) Weak social fabric of the society.

a) Lack of democratic norms and freedom of expression. (HDI index)

b) Lack of quality education.
(Human Capital theory)

c) Disturbed rule of law and order.
(Pending cases in Pakistan's courts)

3- Way Forward to Progressiveness.

4- Conclusion.

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"The future does not belong to those who are indifferent" — a statement given by the infamous Attorney General Robert F. Kennedy of the United States, still echoes in the hallways of ancient muslim castles in the heart of India and Pakistan. However, being indifferent is not the only element that leads to a nation's failure in the modern world. There is an amalgamation of Political, social and economic factors that become a hurdle in the way of a country's progress. These factors in turn shape the nation's institutions, economic outlook, and fabric of society respectively.

Politics has always been an integral part of the evolving society; however, the outcome of it is not always a positive sum. When politics becomes merely a tool to gather power among the elites dissociating themselves from the grand realities of what ought to be done, it becomes a nation's baggage of failure. In the wake of an unstable Political norm with the thirst of control and Power, such leaders pull

the strings of multiple state institutions in order to have everything under control. The mentioned fasco can be summed up by 'institutional theory' that explains how policy making shapes government structure. Thus, when the policy making institutions themselves are controlled by the powerful elite, government structures render little to no shape.

Curbing the freedom and independence of powerful institutions like media and Judiciary, is one of the most crucial tool for the power hungry elite. As the theory of 'Post-modernism' in International relations explains how narratives are build through language and media discourses, controlling that very own narrative spring is the first strategy of the authoritarian regimes. Thus, when media and institutions like paper press are used to create a specific narrative, the people of that nation can never experience an awakening, and therefore, that nation sets itself on the pathway to failure. Consequently, Pakistan stands

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152 out of 180 countries by the World Press Index.

Another Political aspect that drives a nation downward on the road is the Social and justice built institutions being used to serve the interests of the few people in Power. James A. Robinson in his book 'why nations fail?' explains those institutions as 'Extractive institutions'.

Extractive institutions concentrate the power and resources for the political elite by extracting and robbing the people of the country off those resources. Thus, such institutions in turn fuel corruption, lack of transparency and lack of fair competition for the general majority.

Similarly, a state which is handled by political instability and anarchy, fuels distrust among the citizens regarding those same institutions built to serve the nation. 'Social trust theory' explains how political instability often results in a lack of effective governance and in turn leads people to perceive institutions

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as illegitimate or unresponsive to their needs. Subsequently, a nation driven by the lack of basic resources and rights of the people, sets downward in the spiral. Venezuela, a country where prolonged political turmoil has led to widespread distrust in the government and other social institutions, offers a clear picture.

A country's economy is often the most vital tool to judge its developmental progress in today's globalised world. Therefore, following suit, there are certain economic factors that lead to a country's low-paced progress or a complete halt in its progressiveness.

The dependence on the economic and financial institutions internationally is one of the main deterrent that keeps a country in the dependency - in turn fueling poverty - loop. The statement can be supported by Paul Pebrish and Hans Singer's dependency theory, which also earned them a global award. This theory is a perfect tool to analyse global

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inequalities of the North and South. It explains how 'peripheries' which are the developing countries are used to extract resources to fill the pockets of the 'core' countries which are the developed countries. The peripheries are sucked out of their resources which are eventually manufactured and added value in core countries, thus making the peripheries dependant on the core countries for the chain of finances for the same resources extracted from them. The cycle continues and the international financial aiding institutions continue to push them into debt trap making them highly dependant and unable to come out of dependency trap.

Another major setback to an economy is when a country does not invest in research and development for innovative technology. The lack of production of value added goods such as Japan in technology, Taiwan in cyber space, adds a dent to the country's economy. The developing country exports less valuable goods in exchange with value added goods like high

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level technology and defence accessories, causing them a balance of payment crisis. James A. Robinson in his book 'why nations fail', terms 'lack of innovation driven growth' a major element in a nation's failure. Post colonial African nations serve as an example.

A government's involvement in the state's market has much to do with its economic backwardness. When a government uses protectionist policies utilizing the mercantilist way of handling the economy, it fuels distrust among investors, and thus, they are discouraged. Therefore, Mercantilist measures often fail a country's already struggling economy.

North Korea is an example of a mercantilist state, and which ultimately pushed 60% of the population living below the poverty line - according to the World bank.

Society is undoubtedly one of the most promising factors of a nation's progressiveness. Whereas, if the social fabric of the society is weak, it can be the same promising factor in a nation's failure. Social

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Constitutionalism explains how societal norms, values and institutions shape overall progressiveness of a country.

One of the key factors that determine a society's progressiveness and way of thinking is the norm of democratic institutions and freedom of expression. These elements of society are usually measured by 'human development index' which incorporates and observes factors such as health, education, and living standards of the population. If the HDI of a country is low, it automatically serves as a reminder of a weak social fabric, subsequently hindering a country's growth.

Pakistan stands 164 out of 193 countries on the list of HDI ratings.

Similarly, the 'human capital theory' explains how investing on the education of a country's youth never goes out of style. A nation whose generation is built on innovative and creative education will certainly grow up to be the capital that drives the country forward,

instead of a liability. Unfortunately, Pakistan has failed to reproduce quality education despite having 260 universities, out of which 160 are public universities.

The lack of funds allotment for R&D is one of the core reason why universities have failed to produce quality education.

Implementation of rule of law an order serves as one of the primary reason for a nation's backwardness.

A country where the law does not protect the vulnerable and punishes the guilty, will always be a subject of anarchy and social vulnerabilities. According

to one study Pakistan has 2.2m cases pending in front of its judiciary. Such high number of pending cases gives rise to distrust among the general public and questions the acquitability of the culprits, driving the nation in the pits of darkness.

However, there must be a way forward for the nations going through crisis

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management and trying to come out of the 'poverty and backwardness' hole. Asian tigers such as Singapore, Taiwan, and Malaysia etc serve as the perfect example of how genuine efforts with a collective will can bring a country on the horizon again. The nations struggling with political, economic, and social issues, trying to come out of the dark spectrum should look upto the Asian Tigers, adopt the same strategies, and work on their respective loopholes to be able to see the sun of development.

In essence, the nations which are indifferent to their deteriorating conditions; political, economic, and social are doomed to fail. Such factors, though, look meager in the larger picture but serve as the building blocks of destruction. Moreover, each of such factors give rise to another simultaneously, and thus, if not checked and balanced will drive the nation into the text book recipe of failure.