

THEORETICAL FRAMEWORK OF THE CAUSES OF NATION'S FAILURE

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ABSTRACT

Advanced countries are wealthy because of the presence of a viable economic advancement in combination of extractive and inclusive economic institutions' basically a combination of state and free market system in which the state creates incentives for people to invest and innovate – (through guaranteeing private property rights and enforcing contract law). The state enables investment and growth through providing education and infrastructure, which the private business uses, and the state is controlled by its citizens, rather than being monopolised by a small circle of elite. Crucially, there needs to be a democratic principle at work in which people in politics establish institutions and laws which work for the majority of people, rather than just working to make them rich.

KEYWORDS: *Multidimensional, Dynamic, Relational, Active and Contextual*

INTRODUCTION

One world with different continents and nations, same humans with different race and level of reasoning, unique natural endowments but different pace of development leaving nations in categories and classes e.g. developed, developing and underdeveloped. It is disheartening to know that some nations are flowing with somuch knowledge transmitting to wealth with an equivalent qualitative standards of living while others are just stagnant barely scratching the surface off the earth for food leaving a large income gap between the rich and the poor nations of the world. The reason for the failure of most nations especially those within the black continentis sheer negligence caused by educationally challenged leaders/representatives that are saddled with the inability to take advantage of the natural endowments and resources. Most developed nation stole from the nations we categorise today as underdeveloped and we are still bound by globalization to give more to these nations for less (Acemoglu & Robinson, 2012). External factors are like a thorn in our flesh, the negotiation table does not favour us, we are left in perpetual penury as we watch the developed nations control our resources at our detriment and to their gain, leaving a more growing economic gap. Nations like Nigeria is lost in the category of development: I find it confusing to classify her as a developing nation neither as an underdeveloped region. This is due to the fact that the concept of a developing nation is classified using terms such as (1) the nation's level of development, (2) the development of the market, (3) the development of the geographical region, (4) development by IMF and World Bank. Developing nations also have some things in common, which are highlighted below:

- High poverty level that is measured by the nations' Gross National Income (GNI), Gross Domestic Product (GDP), Distribution of wealth, Income equality etc.
- Weak and unstable Human resource which is measured by of nutrition, health, education and increase migration

of expertise to better environment offering better standards of living

- Economic vulnerability which is measure by agricultural production, level of exportation of goods and services, innovation and productivity
- Displacement of population measure by occurrence of natural disaster and a high percentage rate of population living in poverty.

The concept of poverty has been defined from various approaches with divergent ideologies and perspectives. The United Nations Development Programme (UNDP) view poverty from the income level below minimum that is adequate for a nutritional diet together with essential non-food requirements are not affordable.

The Theoretical Framework of the Causes of Nation's Failure

The categorisation of a failed nation to some is a mirage, to others a fallacy and to most a reality, it is possible to assume success when in real sense there is no head way. The reason for nation's failure varies from nation to nation; the truth is a failed nation is one that is economically less developed, with few or no industry base and a less human capacity development index in relation to other nations of the world resulting to a poor national gross domestic products (GDP) per capital which is nothing compared to other nations of the world. World War 1 and 2 was an eye opener to the Germans with respect to development in comparison to others. According to M49 standards (1999) the nomenclature "developed, developing and underdeveloped" was meant to be an illustration purpose for statistical convenience and not necessarily for explicit judgement about the level attained by nations with respect to developmental areas. When we say we have failed it because we are comparing our level of development to that of the Germans, Russians, United States and Kingdom etc. The world's interaction, interconnectivity and interdependence span over 16 years (Schech&Haggis, 2000).

Development plays a central role to poverty reduction. Some authors feel that the national mindset itself plays a role in the ability for a country to develop and to thus reduce poverty. In view of the above, it is important to state what a nation is. A nation is stable, it is a congregation of people formed on the basis of a common language, territory, economic life, ethnicity demonstrated in a common culture. Poverty in line with nation's failure affects a territory, an economic life of the nation and its people: to understand this better we can view the poverty theories.

Theories of Poverty

Nations can move in and out of poverty, there is no studies that has stated poor nations of 20 (twenty) years past should still be poor. This has been the trend "poor nation just seem to own the poverty status" with necessarily doing much to come out of it, the good news is poverty is not a permanent status otherwise China would still be view as a poor nation. After the first industrial revolution America was as good as dead in poverty but it took few men to rebuild America e.g. the likes of John Rockefeller of standard oil, Andrew Carnegie of steel, J.P Morgan of Rails and bank, Henry Ford of Cars, Thomas Edison of electricity etc, these men built empires and created a part way to advancement, they help shaped their nation. There is actually no excuse for the poor nations of the world who still remained below the standards of living. Below is an x-rayed theories of poverty (E Philip Davis & Miguel Sanchez-Martinez, 2015).

Minority Group Theory

This theory emerged in the earliest studies of poverty with an aim to identify the characteristics of certain groups of poor people. Rowntree (1901) said he was not aiming 'to discuss the ultimate causes of poverty through his investigated work poverty in England, to attempt that is a whole social ball game rather, he listed the immediate causes of primary poverty as:

- Death of chief wage-earner,
- Incapacitation of chief wage-earner through accident, illness or old age,
- Retirement of Chief wage-earner,
- Size of family and
- Poor wage rate.

The minority group theory views the role of the family unit as a minority factor whose impact can affect its nation.

The Sub-Culture of Poverty Theory

This concept has its bearing in anthropology and sociology and it is the work of a Marxist scholar. According to Oscar Lewis (1959), he suggested that the poorest part of society forms a sub-society/culture. The term culture in anthropological view is a design for living; which is passed down from generation to generation. In applying this concept of culture to the understanding of poverty, focus will be the fact that poverty in modern nations is not only a state of economic deprivation, or of disorganization, or of the absence of something. It is also something positive in the sense that it has a structure, a rationale, and defence mechanisms without which the poor could hardly carry on. Oscar Lewis saw people living in this culture as a separate part of society thereby limiting themselves to making little use of institutions such as banks, hospitals, museums and art galleries. This act segregates them from the mainstream society. Oscar Lewis developed this theory "the culture of poverty" He states that being in Poverty tends to create a way of living that becomes a culture: culture is learned and shared resulting into to behaviour of a social group e.g. the learned cultural norms can become the barrier preventing a poor children from improving their future lifestyle.

Orthodox Economic Theory

Recently economic theory is applied to poverty; the attention of classical theory is focused on the summation of profits, rent and wage distribution. Ricardo, for example, described the principal problem of political economy in three light

-The proprietor of the land, The owner of the stock or capital necessary for its cultivation, and the labourers by whose industry it is cultivate'.

Causes of Nation's Failure

There are so many reasons for which nations fail and most nations of the world have had their fair share of failure and they learn to grow their economy out of the poverty borders. Below are some elucidated causes of nation's failure

Social Exclusion

Social exclusion refers to a shut out or to be excluded, preventing the participation of citizens in the society. This theory proves that the poor will remain in their poverty. The people make the nation, it is most times the wealth of the people that translates into the wealth of a nation. After the first industrial revolution, few men stood to better their lives but the ripple was evident on the economy of their nation. Individual opportunity to participate in the normal activities for wealth creation should be encouraged (Silver & Miller, 2002). As a relational process, social exclusion theory view poverty as a declining participation and access to resources. Laderchi et al. (2003) attributed social exclusion as multidimensional, dynamic, relational, active and contextual. Olson (as cited in Jordan, 1996) noted that people are vulnerable to poverty especially when they are excluded from an organised setting within a market economy. He went further to state that poverty caused by mass unemployment in the 1970s was created by the collective action of special interest groups e.g. lack of no income is stimulated by unemployment and social isolation.

Welfare Dependence

State's or nation's welfare is meant to support her citizens temporarily, helping smaller family and social unit get stronger and better. The reason why this can be an issue that leads to poverty is when beneficiary make a temporary measure a permanent one stretching the resources of the nation further. According to Murray, the undeserving poor remain in poverty because the welfare state encourages them to depend on state provision and generously according creating a welfare dependency. This does not motivate the poor to provide for themselves (Mary Bane & David T, 1996).

Unemployment

Unemployment is a straight route to poverty and for nations that are below the development, unemployment is viewed as a lifestyle. Unemployment and total employment are indicators of economic activity as reflected by the labour market. The international Labour Organization (ILO) sees unemployment as a function of an economical active population who are without job but are available for work and seeking one. Morio and Zocitzuom (1980) defines unemployment as works available for employment whose contract of employment has terminated or been temporarily suspended and who are without a job and seeking paid employment; persons never previously employed whose most recent status was other than that of employee, together with persons who had been in retirement, who were available for work during the specified period and were seeking paid employment; persons without a job and currently available for work who have made arrangements to start a new job at a date subsequent to the specified period; and persons temporarily or indefinitely laid off without pay. The expression of these definitions is that persons who are without paid jobs to earn decent living are unemployed. The high rate of unemployment tends to poverty with a resultant effect on the state of the economy.

Extractive Institutions

European colonies developed through inclusive institutions, US and Australia in contrast to the majority of European colonies evolved with extractive institutions. Geographical factor aids what institution works better. Small group of individuals do their best to exploit from the rest of the population; this single act leaves money/wealth in the hands of few. Politically extractive undermine its people by excluding those that are not within the class of category and small circle of the elites unlike an **Inclusive System**. The nation is not viewed holistically but it favour the elite group rather than the population it presides over. This method broaden the gap between the high and low class with an existing middle class to

balance the system. Aside the political system it also affect the incentive structure, and sustains economic growth with the advents of technology (North, D & Weingast, 1989).

Lack of Industrialisation

The African nations are considered backward with respect to industrialisation. It is one of the most talked about but a never implemented subject by our policy makers. An example in Nigeria is the Ajaocuta steel. Experts have agreed that the reason for the slow pace of Africa's industrialisation is basically because our leaders have to pursue bold economic reforms and this remains a big loss of opportunity unlike places like London, Paris and Washington. Industrialisation is a very viable sector of the economy and any nation that does not explore around it tends to poverty, thereby failing as a nation. Industrialisation is self-sustaining and has kept nation like America at the top. Industrialisation is transformational and its change affects the social and economic factors of a nation. Nigeria's poor industrialisation is hinge on access to credit/lack of credit. A nation that relies heavily on exportation of its basic products (raw material) and still relies on other nations for the transformation these product after which they import. No nation can thrive without industrialisation (Griffin, 2010).

Faulty Educational System

Education is the bedrock of success for any nation, it equips one with knowledge and skill needful for development. The truth is development is conceptual and futuristic. Nations that are consider poor or failed have issues with their educational systems. From poor infrastructures to poorly trained human resources (teachers) to responses of the trainees e.g. decline of reading culture, poor learners performance etc. The major reason for failed educational system is funding from the policy makers and leaders: It is the government and its agencies obligation to improve educational system all round. A nation filled with illiterates is bound to fail and wallow in poverty because a level of intelligence is required for interacting and relating with other nations of the worlds (Dewey, 1944).

Poor Technological know-How and Infrastructure

Globalisation births technology and embracing globalisation without matching technology tends to poverty because technology help you stay abreast with global happenings near and wide. We implement the little technology available without an adequate understanding and knowledge on its functionality. Technology is a function of so many things including government willingness to invest in it, but the issue is no corrupt government wants to invest in technology because it eliminate corruption (Carison&Stankiewicz, 1991).

Leadership Incompetence

Leadership with a myopic economic knowledge and misconception of economic growth. Undeveloped nations have one thing in common which put in one word of lack of good governance. Leaders putting the nations in disarray when they have little or no knowledge on economic investment and leveraging on opportunities. Underdeveloped human resources which gave rise to the inability to manage the enormous resources. Terrible governing and policy making can mar a nation's economy with alacrity (Kellerman, 2004).

Corruption

Corruption is a pressing issue that is considered an epidemic eating deep into any nation or people's finance,

investment and standard of living. It is a very costly phenomenon in Nigeria and it is believed that by 2030 it will eat up 37% of gross domestic product which is equivalent to \$2,000 per person in Nigeria. The effect of corruption is disastrous to any nation, it affects the effectiveness of good governance, reduces the capacity of a nation to attain its potentials for investment and lowers human capacity development to nothing. Corruption leads to nation failure in the sense that it encourages tax avoidance, investing public funds for self, it encourages mediocrity and nepotism in the place of merit and the resultant impact of corruption which is lack of provision for public goods such as infrastructure for businesses, education and healthcare for citizen leads to poverty (Akindola, 2017).

Cultural Blindness

Factors under culture that can fluctuate growth and progress especially in an environment multiple diversity like Nigeria in religion, the role of the individuals in society (importance attached to gender), the values, belief systems. When there is an issue around affinity with people resulting to their inability to accept change bound by belief systems affecting growth and development such environment. Grondona, Harrison, and Lindsay (2000) all feel that at least some aspects of development-resistant cultures need to change in order to allow underdeveloped, develop effectively. According to their argument, poverty is fuelled by cultural characteristics within underdeveloped nation.

Insecurity: Guns and Wars

Promising investors have all left the shore of Africa irrespective of her endowment. There are even sophisticated methods of sapping us dry by way of still taking that which is rightfully ours here in Nigeria via technology we know little or nothing about e.g. the gas pipeline that connects to Europe and America. The truth is our leaders are handicapped and the one area they have shown expertise is in disorganising and disorientating the minds of the young to trigger killings, kidnapping and their likes leaving the shores of Africa vulnerably unsecured. Peace they say is priceless, terror is senseless yet we cannot give peace a chance. The wars are both religious and political. Nations where government fails to provide security and welfare. A growing economy needs investors to thrive and the absence of one leads to failure and poverty. According to William (1920), "Things indeed are fallen apart and the centre has lost her hold, sheer anarchy is released upon the world; violence rages and the ceremony of the innocent is drowned in the tide of blood; the best are put in a state of guilt while the worst are fully intensified with passion".

CONCLUSIONS

Nations rise and rise, nations rise and fall, nations fall and rise, nations fall and fall but in all the decision to grow and develop one solely lies with those at the helm of affairs and citizens who view themselves as agents of change. There are so many factors that help us explain the divergent growth and development pattern and the factors range from political, cultural, technological, economical, ecological etc. Nations fail for so many reasons but for the work we looked institutional shortcomings, restriction of opportunities, lack of technical know-how, poor governance and leadership etc. it was also established that nations are poor by reason of the percentage of population living in poverty. Our institutions will need a complete overhaul both extractively and inclusively. Irrespective of aids and support from international body we still remain far away from the billions; an example is Paul Collier's Bottom Billion Theory. Many low income nations are caught in several webs preventing them from prospering and globalisation has not really favour the bottom billion people and their nations. Collier (2007), believed that economic growth is not the sum total of human welfare. He went further to

state that the possibility of dealing with the issues around poverty exist in the developed nations of the world and the poor nations lack access to it: economic growth is a function of enhanced health care and welfare facility and growth is useless if the millions of poor people lack access to basic amenities. There is a developmental drift of poor nations from the rest of the world. The poorest nation just keep failing and falling helplessly and all 58 nations making up the bottom billion are small nations with low income level, amazingly they are mostly African nation.

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